

DRAFT ANNUAL BUDGET OF

MBIZANA LOCAL MUNICIPALITY



**2017/18 TO 2019/20
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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- **In the mayor's office, and office of the Municipal Manager**
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Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kl	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1.1 Mayor's Report

The council of Mbizana Local Municipality, as elected by the communities, has a responsibility of ensuring that basic service delivery is provided for all within its jurisdiction. This is the provision of the Constitution of the Republic of South Africa which is the supreme law of the land. The Municipal Finance Management Act No. 56 of 2003, section 16, provides that a municipality must compile an annual budget before the start of the financial year. A draft budget must be tabled 90 days before the start of the financial year, which means that for a 2017/18 Annual Budget, the draft budget must have been tabled to council by March 31, 2017. This seeks to comply with that requirement.

In the recent engagements with communities, it has emerged that there are still significant service delivery backlogs, but significantly amongst these has been the issue of electricity and water. The Mbizana Local Municipality has in the recent past endeavored to ensure that electricity is rolled out to a number of villages. This has seen the electrification of the following villages in the 2016/17 financial period which are nearing completion:-

- Electrification of Monti/Ntlozelo
- Electrification of Mqonjwana/Lugwijini, and
- Electrification of Gumzana

These were funded out of a R40,4 million front loading loan from the Development Bank of Southern Africa. Part of this loan has been repaid in the 2016/17 financial year and the R15,4 million will be repaid in the 2017/18 financial period. This places a significant strain on the capability of the municipality to roll out further electrification in the financial year budget for.

Further funding has been sourced from the Provincial Government for electrification of the following villages to the value of R21 million:-

Name of the Village	Number of Connections
Mpetsheni	520
Mpisi	250
Jama	224
Qungebe	35
Ludeke Extension	250

Apart from these electrification programs, the municipality has set aside funds for the following infrastructure projects:

Name of the project	Budgeted Amount
Mphuthumi Mafumbatha Stadium	R12 million
Construction of 5 gravel roads – total length of 26 km	R18,6 million

Construction of the Civic Center	R9,9 million
Surfacing of the CDB Internal Streets	R10 million
Rehabilitation of existing roads	R8,4 million

The compilation of the 2017/18 annual budget has also taken into consideration the following imperatives that impact directly to our communities:-

OR Tambo Centenary : As it is declared nationally that 2017 is OR Tambo centenary as the home of this legend council takes pride in being part of celebrating the life and time of OR Tambo. It is a live conviction of this council to ensure that his legacy lives for the generations to come. It is not the wish of this council to only celebrate through events but tangible legacy projects that will ensure that our claim and ownership of this international icon is validated. A budget allocation of R1,2 million has been provided for this important activity.

Public participation: Municipality will embark on community education program in all wards in order to capacitate our communities on their role during public participation/ hearings on municipal documents. Also will capacitate ward committees in ensuring coordinated servicing of our communities and as structures closer to people. Program of establishment, launch and support of ward war rooms will continue this financial year as part of strengthening community and stakeholder involvement on government programs. An amount of R866 000 has been set aside for this.

IDP and performance management: Council will continue to ensure that our IDP maintains its high credibility status through enhancing maximum public participation of all role players. We will continue to ensure that our mission of promoting and ensuring a culture of performance excellence is achieved at all costs. Although resources are very limited, these important planning and monitoring tools have been budgeted for at R3 million.

Special Programs and Sport Development: Council will always contribute in changing lives of our special groups, our focus will be towards improving education in our region through supporting educational improving initiatives, will also be strengthening capacity to community based structures that assist particularly in fighting violence and crimes targeting our elderly, children and women. We will continue to ensure that our council educate our communities on rights of people with disabilities and support initiatives that combats discrimination against them.

Spatial Development Framework: Implementation of the rural land audit, land readiness and registration of municipal properties, township establishments. Amount will be recovered upon disposal of council land. An amount of just above R1,1 million has been set aside for this.

Implementation of SPLUMA: Implementation of the act and running of the municipal tribunal and payment of the members to sit in the tribunal. The tribunal will consider development applications that will in turn increase the revenue base. We trust that the R1,1 million set aside as well for this purpose will be sufficient.

Geographic Information System (GIS): Acquisition tool to assist to improve the immovable asset. It is the compliance issue for spatial analysis. This will also assist in the identification of municipal assets and their locations. An amount of just above R425 000 has been set aside for this.

The Annual Budget as compiled by the municipality seeks to address the imperatives as set out in the Integrated Development Plan and the indicated Delivery Agreement – outcome 9, which is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to

ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

The Mbizana Local Municipality annual budget and the Integrated Development Plan therefore seeks to ensure that the service delivery priorities as mandated by the constitution like electricity, roads, solid waste removal are provided to the communities. This is done at the same time whilst ensuring co-ordination of other organs of state like the District Municipality for the provision of water and sanitation and other provincial departments for respective services to the communities.

1.2 Council Resolutions

The Council of Mbizana Local Municipality must sit to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2017/18 and the Medium Term Revenue and Expenditure Framework. The council must then consider the following resolutions which will become final when the budget is adopted.

The Council of Mbizana Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- a. The annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:
 - i) Budgeted Financial Performance (revenue and expenditure by standard classification);
 - ii) Budgeted Financial Performance (revenue and expenditure by municipal vote) ;
 - iii) Budgeted Financial Performance (revenue by source and expenditure by type); and
 - iv) Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
- b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

- i. Budgeted Financial Position;
 - ii. Budgeted Cash Flows;
 - iii. Cash backed reserves and accumulated surplus reconciliation;
 - iv. Asset management; and
 - v. Basic service delivery measurement.
- c. The Council of Mbizana Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017:
 - i) the tariffs for property rates
 - ii) the tariffs for electricity
 - iii) the tariffs for solid waste services
- d. The Council of Mbizana Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017 the tariffs for other services, as set out in the paragraphs on tariffs;
- e. To give proper effect to the municipality's annual budget, the Council of Mbizana Local Municipality approves:
 - i) That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed.
 - ii) That the municipality be permitted to enter into long-term loans for the funding of the capital programmes in respect of the 2017/18 financial year limited to an amount of the financial year of the MTREF in terms of Section 46 of the Municipal Finance Management Act.
 - iii) That the Accounting Officer be authorised to sign all necessary agreements and documents to give effect to the above lending programme.
- f. To enable the proper implementation of the municipality's budget, the council of Mbizana Local Municipality approves the following budget related policies;
 - i) The Budget Policy
 - ii) Credit control and debt collection policy
 - iii) Property Rates Policy
 - iv) Supply Chain Management Policy
 - v) Tariff Policy

1.3 Executive Summary

As mentioned in the earlier paragraphs, the municipality prioritizes the delivery of basic services to the communities. The addressing of backlogs, especially electrification backlogs has meant that the municipality has had to utilize its reserves and these have been depleted. This means that for the current financial year budgeted for, and the two outer years, the municipality has had to perform a delicate balancing act by ensuring provision of basic services to the communities and ensuring that the municipality remains financially viable.

The National Treasury issued a gazette in 2014, directing that a Municipal Standard Chart of Accounts – mSCOA – would be used by all municipalities from July 01, 2017. This means that all municipalities will have a common set of accounts from which to choose from, instead of each municipality having its own chart of accounts. This will result in a seamless reporting regime where information from all municipalities can be compared. The introduction of the business reform has meant that management needs to acquaint itself with the requirements and legislations that are meant to ensure implementation of mSCOA by July 01, 2017. Non-compliance with this requirement is not even an option as municipalities stand to lose their equitable share allocations should this not be adhered to.

It is important to note that this does not represent a new system, but rather an introduction of a more detailed and streamlined way of doing business, starting from planning, where it guides you to do proper planning, informed by adequate costing. mSCOA also encourages revenue and expenditure items to be identified for what they really are and not grouped together with no detailed planning and calculation behind. We will now be able to identify the true cost of the projects that the municipality engages on, and be able to identify, from early on, the communities that stand to benefit from those projects.

Mbizana Local Municipality is no different and has ensured that measures are put in place to ensure compliance. It is therefore important to note that we have made all efforts to ensure that the budget that will be approved is mSCOA compliant.

As the municipality provides services to the communities, a significant amount of costs are incurred and these must be recovered somehow from the consumers. This is where the issue of tariff setting comes in, and we have in this regard been guided by the municipality's performance in the previous financial years, and the guidelines set by the National Treasury in numerous circulars, last of which was MFMA Treasury Circular No. 86. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

Fiscal year		2016/17 Estimate	2017/18	2018/19 Forecast	2019/20 Forecast
Consumer Price Inflation - CPI		6.4%	6,4%	5,7%	5,6%

This means that any increase in the tariff increases and expenditure forecasts beyond the 6% need to be comprehensively motivated and explained. This means that to a large extent, some trading services remain heavily subsidized by other sources of revenue, a situation which must be changed as the council and management comes up with strategies of addressing this. It is clear for example that the solid waste removal is still heavily subsidized by other sources of revenue and the tariffs for this service cannot just be shot up as this would be inconsiderate and unaffordable for the communities served by the municipality.

As detailed in the later paragraphs, the municipality consulted with the communities as to ascertain priorities per ward. The annual budget as compiled for the 2017/18 financial year and the MTREF, therefore addresses some of these priorities, bearing in mind the limited resources that the municipality has at its disposal. As indicated in earlier paragraphs, the leading need by the communities is electrification and the budget is biased towards this. The budget also endeavors to allocate resources for construction and maintenance of access roads that ensure communities have access to schools and clinics. Sport development is crucial for social cohesion, and central to this is the construction of infrastructure that would ensure that youths in the communities have access to sporting facilities. The budget therefore allocates resources to such, as prioritized by communities.

The municipal council has reviewed a number of policies, proposing amendments to these policies and these are detailed in a later paragraph in more detail. Most of the adjustments that have been proposed are necessitated by developments and changes in the requirements of key institutions like the National Treasury and the South African Revenue Services. For example, the National Treasury has set up a database where all service providers in South Africa must be registered before they can do business with the organs of state. This development has therefore necessitated improvements or changes to the Supply Chain Management Policy.

The preparation of the budget has relied mainly on the statistics as provided in the Census of 2011. Although this has been the basis, we have kept in mind the growth of communities we serve within the municipality. The assumptions utilized in the compilation of this budget have also been based on the guidance provided by the National Treasury on the inflationary indicators to be utilized. The guidance has also touched on the requirements and expectations from the National Energy Regulator of South Africa (NERSA) on the percentage increase that can be effected on electricity tariffs.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2017/18 MTREF

MBIZANA LOCAL MUNICIPALITY					
DRAFT BUDGET SUMMARY BY SOURCE AND EXPENDITURE BY TYPE					
Mar-17					
REVENUE	2017-20 MTREF				
TYPE	2016/17 BUDGET	2016/17 ADJUSTED BUDGET	2017/18 BUDGET	2018/19 BUDGET	2019/20 BUDGET
Property Rates	-21 057 299,76	-21 057 299,76	-22 341 795,05	-23 659 960,95	-25 032 238,69
Service Charges - Electricity	-24 730 572,13	-27 862 192,12	-29 561 785,84	-31 305 931,20	-33 121 675,21
Service Charges - Refuse	-2 001 250,80	-2 001 250,80	-2 123 327,10	-2 248 603,40	-2 379 022,39
Service Charges - Other	-10 451,06	-10 451,06	-11 088,57	-11 742,80	-12 423,88
Agency Services	-813 504,04	-813 504,04	-863 127,79	-914 052,33	-967 067,36
Rental of Facilities & Equipment	-721 343,71	-721 343,71	-765 345,68	-810 501,07	-857 510,13
Fines	-775 240,82	-775 240,82	-822 530,51	-871 059,81	-921 581,28
Licences & Permits	-2 236 041,03	-2 236 041,03	-2 372 439,53	-2 512 413,47	-2 658 133,45
Interest Earned - External Investments	-5 804 729,78	-5 804 729,78	-6 158 818,30	-6 522 188,58	-6 900 475,51
Interest Earned - Outstanding Debtors	-1 672 803,44	-1 672 803,44	-1 774 844,45	-1 879 560,27	-1 988 574,77
Loan Advance	0,00				
Grants & Subsidies Rec'd - Operational	-181 992 950,00	-183 099 742,06	-204 938 900,00	-232 591 800,00	-243 613 300,00
Grants & Subsidies Rec'd - Capital	-68 851 050,00	-98 551 050,00	-113 800 100,00	-74 320 200,00	-86 065 700,00
Gains on Disposal of PPE	0,00				
Other Revenue	-1 016 389,50	-1 016 389,51	-1 078 389,27	-1 142 014,24	-1 208 251,06
From Own Reserves					
TOTAL	-311 683 626,07	-345 622 038,13	-386 612 492,08	-378 790 028,11	-405 725 953,74
EXPENDITURE					
Employee Related Costs	87 842 980,35	84 785 818,33	106 799 376,86	110 350 145,70	115 867 652,99
Remuneration of Councillors	23 185 791,99	20 233 505,15	21 502 263,38	22 577 376,55	23 706 245,38
Debt Impairment	1 900 000,00	1 900 000,00	1 995 000,00	2 094 750,00	2 199 487,50
Bulk Purchases - Electricity	27 711 868,80	28 984 274,80	31 303 016,78	33 807 258,13	36 511 838,78
Interest Paid	1 499 715,00	1 499 715,00	1 584 700,75	1 663 935,79	1 747 132,58
Depreciation & Asset Impairment	39 400 000,00	39 400 000,00	46 010 535,90	48 311 062,70	50 726 615,83
Grants & Subsidies Given	3 880 800,00	4 880 800,00	11 209 307,20	11 769 772,56	12 358 261,19
Operational Expenses	75 206 012,57	79 534 304,02	38 516 384,88	40 211 204,12	42 221 764,33
Repairs & Maintenance	12 873 366,77	15 035 866,77	84 543,02	88 770,17	93 208,68
Contracted Services	0,00		63 064 220,57	64 655 356,32	68 862 547,59
Other Materials			1 082 000,00	1 136 100,00	1 192 905,00
Contributions to Capital	52 383 090,59	117 249 539,06	104 306 160,66	73 724 305,91	84 468 087,45
Contribution to Provisions	2 100 000,00	2 450 000,00	2 000 000,00	2 100 000,00	2 205 000,00
TOTAL	327 983 626,07	395 953 823,13	429 457 510,00	412 490 037,95	442 160 747,29
Personnel as % of OPEX	40%		39%		39%
Profit/(Loss)	-16 300 000,00	-50 331 785,00	-42 845 017,92	-33 700 009,84	-36 434 793,55

The table above shows the summary of the budget for the 2017/18 financial period with the outer years. The table shows that the expected revenue for the 2017/18 financial year adds up to just above R386 million. The revenue is mainly expected from grant funding to the value of R318 million and this forms just above 82% of the budget.

The employee related costs show a significant increase as a result of percentage increase resulting from the agreements in the Bargaining Council. It should be noted that this is quite a significant increase and measures must be put in place to ensure that these costs don't become a runaway train

DRAFT BUDGET SUMMARY VOTE					
Mar-17					
REVENUE	2017-20 MTREF				
VOTE	2016/17 BUDGET	2016/17 ADJUSTMENT BUDGET	2017/18 BUDGET	2018/19 BUDGET FORECAST	2019/20 BUDGET FORECAST
Council & General Expenses	0,00	0,00	0,00	0,00	0,00
Mayor's Office	0,00	0,00	0,00	0,00	0,00
Municipal Manager	0,00	-532 086,61	0,00	0,00	0,00
Speaker	0,00	0,00	0,00	0,00	0,00
Budget & Treasury	-207 349 443,05	-207 757 291,50	-231 156 739,08	-262 805 252,68	-275 585 649,34
Corporate Services	-207 004,94	-207 004,94	-219 632,24	-232 590,54	-246 080,80
Development & Planning	-680 127,41	-680 127,41	-172 017,18	-182 166,20	-192 731,84
Community Development	-3 640 914,11	-3 807 771,11	-3 933 966,87	-4 165 420,92	-4 406 555,33
Refuse Removal & Cemetary	-3 120 762,92	-3 120 762,92	-3 865 005,46	-2 288 504,78	-2 421 238,06
Road Works & Engineering	-46 624 312,20	-46 624 312,20	-61671696,24	-52 438 824,32	-55 359 148,13
Electricity	-50 061 061,44	-82 892 681,44	-85 593 435,01	-56 677 268,67	-67 514 550,26
TOTAL	-311 683 626,07	-345 622 038,13	-386 612 492,08	-378 790 028,11	-405 725 953,74
EXPENDITURE					
Council & General Expenses	28 077 651,99	25 275 365,15	34 560 163,38	36 288 171,55	38 102 580,13
Mayor's Office	4 389 668,90	5 499 668,90	0,00	0,00	0,00
Municipal Manager	26 683 234,58	26 803 518,70	33 735 704,00	35 422 489,20	37 193 613,66
Speaker	5 980 323,30	4 580 323,30	0,00	0,00	0,00
Budget & Treasury	63 938 053,15	63 584 243,96	71 579 200,90	75 158 160,95	78 916 069,00
Corporate Services	42 354 949,50	44 412 388,58	52 094 889,81	54 699 634,30	57 434 616,02
Development Planning	15 536 684,00	15 695 514,04	17 110 198,63	17 965 708,56	18 863 993,99
Community Development	30 529 371,78	31 382 039,65	41 879 773,98	42 422 262,68	44 545 875,81
Refuse Removal & Cemetary	13 045 985,34	14 716 628,43	17 218 369,37	16 290 087,84	17 104 592,23
Road Works & Engineering	63 009 458,41	64 947 149,07	84 271 346,03	69 741 225,28	73 507 776,24
Electricity	34 438 245,12	99 056 983,35	77 007 863,90	64 502 297,60	76 491 630,23
TOTAL	327 983 626,07	395 953 823,13	429 457 510,00	412 490 037,95	442 160 747,29

The Road Works and Engineering and Electricity Departments continue to receive a significantly higher budget at R84 million and R77 million respectively. This is due to the fact that infrastructure projects are mainly found in these two departments and these play a leading role in the delivery of basic services to the communities.

1.4 Operating Revenue Framework

Mbizana Local Municipality strives to provide its communities with the required services and for it to succeed in doing that, it has to ensure that it has an operating revenue framework that ensures that it is able to fund its operations. This talks to the fact that there must be strategies in place to maximize the collection of revenue from the streams that already exist, but as well identify new revenue streams to augment the existing ones. A revenue enhancement strategy was approved by the council and management is currently busy with the implementation of that plan.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipal area and continued economic development;
- Efficient revenue management;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) as amended;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

In preparing the budgets, realistically anticipated revenues have been considered, and as has been indicated several times earlier, the tough economic conditions reflect on the reduces anticipated revenues. The property rates, electricity all show a decline and the main consideration has been the declining trend over the past few years, coupled with the weak performance of the said items.

Table 2 Summary of revenue classified by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

EC-443 Mozilla - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	9,975	15,554	16,511	21,057	21,057	-	-	22,342	23,660	25,032
Service charges - electricity revenue	2	17,270	17,598	20,805	24,731	27,862	-	-	29,562	31,306	33,122
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1,035	1,033	1,008	2,001	2,001	-	-	2,123	2,249	2,379
Service charges - other		76		29	10	10			11	12	12
Rental of facilities and equipment		809	609	608	721	721			765	811	858
Interest earned - external investments		5,718	7,619	6,028	5,805	5,805			6,159	6,522	6,900
Interest earned - outstanding debtors		495	968	2,415	1,673	1,673			1,775	1,880	1,989
Dividends received		-				-					
Fines, penalties and forfeits		630	1,271	1,659	775	775			823	871	922
Licences and permits		1,203	1,823	2,442	2,236	2,236			2,372	2,512	2,658
Agency services		553			814	814			863	914	967
Transfers and subsidies		131,992	151,593	189,891	181,993	183,100			204,939	232,592	243,613
Other revenue	2	1,908	1,059	1,109	1,016	1,016	-	-	1,078	1,142	1,208
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		171,664	199,128	242,504	242,833	247,071	-	-	272,812	304,470	319,660

- Table 3 Percentage growth in revenue by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

CU445 Malawi - Table A4 Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	% Growth	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	9,975	15,554	16,511	21,057	21,057	-	6.1%	22,342	23,660	25,032
Service charges - electricity revenue	2	17,270	17,598	20,805	24,731	27,862	-	6.1%	29,562	31,306	33,122
Service charges - water revenue	2	-	-	-	-	-	-		-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-		-	-	-
Service charges - refuse revenue	2	1,035	1,033	1,008	2,001	2,001	-	6.1%	2,123	2,249	2,379
Service charges - other		76		29	10	10		6.1%	11	12	12
Rental of facilities and equipment		809	609	608	721	721		6.1%	765	811	858
Interest earned - external investments		5,718	7,619	6,028	5,805	5,805		6.1%	6,159	6,522	6,900
Interest earned - outstanding debtors		495	968	2,415	1,673	1,673		6.1%	1,775	1,880	1,989
Dividends received		-				-					
Fines, penalties and forfeits		630	1,271	1,659	775	775		6.1%	823	871	922
Licences and permits		1,203	1,823	2,442	2,236	2,236		6.1%	2,372	2,512	2,658
Agency services		553			814	814		6.1%	863	914	967
Transfers and subsidies		131,992	151,593	189,891	181,993	183,100		11.9%	204,939	232,592	243,613
Other revenue	2	1,908	1,059	1,109	1,016	1,016	-	6.1%	1,078	1,142	1,208
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		171,664	199,128	242,504	242,833	247,071	-	0	272,812	304,470	319,660

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The own revenue generation of the municipality is pillared mainly by electricity distribution and levying of property rates. Although the municipality to a larger extent relies on grants, these own revenue sources remain very important and all efforts need to be made to ensure that maximum returns are realized on them.

Property Rates depend on the availability of the valuation roll to be levied. A valuation roll has been finalized although it is under constant challenge from the rate payers. The availability of the valuation roll has meant that a detailed and involved process is followed to determine the tariff to be levied instead of using unreliable methods of calculations. The latest valuation roll, updated with the supplementary valuations was utilized in arriving at the possible amounts that can be raised out of property rates.

Electricity distribution forms a significant part of the own funding by the municipality. The performance of this stream of revenue has been under considerable strain over the past few years, and it has become difficult to expect an immediate change out of it, however measures implemented over the past financial year and during the year have begun to show some positive results which still need to be monitored closely.

Table 4 Operating Transfers and Grant Receipts

EC443 Mbizana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1 2									
Operating Transfers and Grants										
National Government:		147,579	173,185	209,919	203,804	203,804	–	235,530	254,626	274,482
Local Government Equitable Share		124,139	145,251	181,314	175,910	175,910		197,681	227,226	238,082
Finance Management		1,550	1,600	1,675	1,810	1,810		2,145	2,400	2,400
Municipal Systems Improvement		890	934	930	–	–				
EPWP Incentive		1,000	1,000	1,000	1,084	1,084		1,704	–	–
Integrated National Electrification Programme		20,000	24,400	25,000	25,000	25,000		34,000	25,000	34,000
Other transfers/grants [insert description]										
Provincial Government:		461	400	250	381	381	–	350	370	391
Sport and Recreation				250	263	263		350	370	391
Other transfers/grants [insert description]		461	400		118	118				
District Municipality:		–	–	100	400	400	–	–	–	–
Integrated Development Planning				100	100	100				
Spatial Development Framework					300	300				
Other grant providers:		–	–	–	100	100	–	–	–	–
GIS Shared Services					100	100				
Total Operating Transfers and Grants	5	148,040	173,585	210,269	204,685	204,685	–	235,880	254,996	274,873

Table 4 shows the operating grants that the municipality has been allocated for the 2017/18 financial period and the MTREF. The Equitable Share has increased to R197.7 million and the municipality revenue has grant funding in the excess of R235 million. It is important to note though that the R15.4 million of the INEP grant will be utilized to settle the front loading loan the municipality currently has with the DBSA.

- **Financial Management Grant (FMG):** This grant is meant to assist in ensuring that financial management systems of the municipality are functioning and that the staff complement at the Budget and Treasury Office is adequately capacitated in terms of skill and understanding of accounting and municipal finance.
- **Municipal Infrastructure Grant (MIG) (Operational):** The MIG is meant for the development of infrastructure within the municipality, but then 5% of that is utilized for project management, payment of salaries of specific staff members and planning for those infrastructure projects.
- **Department of Sport and Culture – Library:** The grant is meant to assist in the running of the library, including ensuring that the library is appropriately stocked with books.

- **Tariff Setting for the 2017/18 and MTREF Period**

As part of generating own revenue, the municipality needs to set tariffs for the revenue streams for which it has been made responsible for in terms of various legislations. For example the Municipal Property Rates Act empowers the municipality to levy rates on all ratable properties.

A number of considerations have been taken into consideration in setting up the tariffs to be utilized from July 01, 2017 as indicated in earlier paragraphs. The municipality has not been immune to the adverse economic conditions that are currently experienced throughout the country. These conditions have been taken into consideration as the tariffs were being set and all the input costs that go into providing the specific services.

1.4.1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. In determining the tariff, the municipality has considered the values of properties on which the municipality will levy rates, the amounts desirable from rates for budget purposes, and the historic tariffs of the previous financial years.

The Property Rates policy is one of the most important documents that we utilise in the determination of property rates. It should be kept in mind though that the Municipal Property Rates Act remains the reference point for this policy.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy. This is maintained from the previous financial year as there has not been any significant changes to the values of the properties;
- Details of further rebates and reductions are provided in the municipality's Property Rates Policy and the Indigent Policy.

The tariff structure has remain basically unchanged for residential properties as shown in the table below. However, it was brought into our attention by the National CoGTA that we had in the previous financial years unfairly charge government departments a higher rate than all other properties whilst these are not in the business of making profits. The vacant land has been raised higher to discourage hoarding of pieces of land that have not been developed. We have therefore taken these into consideration in arriving at the tariff as shown below

Table 5 Comparison of proposed rates to be levied for the 2017/18 financial year

PROJECTED TARIFFS	2017/18	2018/19	2019/20
	c/R	c/R	c/R
Residential	0,0060	0,0060	0,0060
Business And Commercial	0,0120	0,0120	0,0120
State Owned	0,0090	0,0090	0,0090
Vacant Land	0,0090	0,0090	0,0090

1.4.1.2 Sale of Electricity and Impact of Tariff Increases

The municipality distributes electricity in the town area of Mbizana and to do this, a service charge must be levied in order to recover the costs incurred. There has been a noticeable increase in the revenue generated from electricity as a result of projects undertaken that has seen losses reduced. However there is still a lot of work to be done to ensure that this service is at least able to sustain itself, and at some point be able to provide enough revenue for other service delivery imperatives.

As guided by National Treasury Circular 86, there has been very minimal increase in the electricity tariffs and this is informed by the percentage increase that has been considered for ESKOM by NERSA. We have therefore applied a 0,31% increase as directed.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

MBIZANA LOCAL MUNICIPALITY				
CALCULATION OF TARIFF INCREASE FOR THE YEAR 2017/ 2018				
DOMESTIC TARIFFS				
DOMESTIC PREPAID				
TARIFF BLOCK	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Block 1 (0-50 KWh)	84,61	0,31%	0,26	84,87
Block 2 (51-350 KWh)	107,64	0,31%	0,33	107,97
Block 3 (351-600 KWh)	152,51	0,31%	0,47	152,98
DOMESTIC CONVENTIONAL (c/KWh)				
TARIFF BLOCK	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Block 1 (0-50 KWh)	84,61	0,31%	0,26	84,87
Block 2 (51-350 KWh)	107,64	0,31%	0,33	107,97
Block 3 (351-600 KWh)	152,51	0,31%	0,47	152,98
Block 4 (>600 KWh)	179,88	0,31%	0,56	180,44
Basic Charge (R/ Month)	169,45	0,31%	0,53	169,98
COMMERCIAL TARIFFS				
COMMERCIAL SINGLE PHASE				
TARIFF DETAIL	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Basic Charge (R/ Month)	358,46	0,31%	1,11	359,57
Energy Charge (c/KWh)	157,25	0,31%	0,49	157,74
COMMERCIAL SINGLE PHASE PRE-PAID				
TARIFF DETAIL	2016/2017 TARIFF	2018 PROPOSED % INC	VALUE INCREASE	PROPOSED TARIFF
Basic Charge (R/ Month)	358,46	0,31%	1,11	359,57
Energy Charge (c/KWh)	157,25	0,31%	0,49	157,74
COMMERCIAL THREE PHASE				
TARIFF DETAIL	2016/2017 TARIFF	2018 PROPOSED % INC	VALUE INCREASE	PROPOSED TARIFF
Basic Charge (R/ Month)	666,54	0,31%	2,07	668,61
Energy Charge (c/KWh)	149,90	0,31%	0,46	150,36
COMMERCIAL THREE PHASE - PRE-PAID				
TARIFF DETAIL	2016/2017 TARIFF	2018 PROPOSED % INC	VALUE INCREASE	PROPOSED TARIFF
Basic Charge (R/ Month)	666,54	0,31%	2,07	668,61
Energy Charge (c/KWh)	149,90	0,31%	0,46	150,36
INDUSTRIAL TARIFFS				
LARGE POWER USER (More than 100KVA Maximum Demand)				
TARIFF DETAIL	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Basic Charge (R/ Month)	1 127,52	0,31%	3,50	1 131,02
Demand Charge (per KVA)	194,78	0,31%	0,60	195,38
Energy Charge (c/KWh)	73,63	0,31%	0,23	73,86

Other Electricity Related Tariffs

	APPROVED TARIFFS 2016/17	DRAFT TARIFFS 17/18
Connection Fees		
20 AMPS (Single Phase)	R 872,12	R 924,32
60 AMPS (Single Phase)	R 2 858,44	R 3 032,80
100 AMPS (Prepaid/Conventional – 3Phase)	R 3 334,84	R 3 538,27
kVa	R 1 786,52	R 1 842,45
Temporal connection fee	R 381,12	R 404,37
Key pad replacement		R 404,37
Reconnection Fees	R 381,12	R 404,37
Meter movement fee	R 393,26	R 417,25
Meter Replacements		
20 AMPS (Single Phase)	R 460,70	R 488,80
60 AMPS (Single Phase)	R 506,92	R 537,84
100 AMPS (Prepaid/Conventional – 3Phase)	R 1 866,02	R 1 979,85
Direct Tempering Fine		
First tamper	R 6 000,00	R 6 366,00
Second Temper	R 7 500,00	R 7 957,50
Third Temper	R 9 000,00	R 9 549,00
Fourth Temper (Permanent Disco	R 11 000,00	R 11 671,00
Indirect Tempering Fine		
Failure to report a free electricity dispensing unit will be regarded as direct tempering	R 3 500,00	R 3 713,50

1.4.1.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

The following table compares current and proposed amounts payable from 1 July 2017:

Table 6 Comparison between current waste removal fees and increases

	Actual Tariffs 2016/17	Draft Tariffs 2017/18	2018/19
TARRIFS			
Refuse removal			
Refuse Removal – big businesses 3 times weekly 6 times weekly	R561.02 R1122.04	R611.51 R1223.02	R666.54 R1333.09
Refuse Removal – small businesses	R259.53	R282.89	R308.35
Refuse removal – businesses (Rural)	R561.02	R611.51	R666.54
Refuse Removal- residences	R119.55	R130.31	R142.03
Refuse Removal- vacant plots	R58.38	R63.63	R69.35
Refuse removal – Special event	R1635.00 Travelling per km more than 10 km from town charged using Dep. Of Transport rates	R1782.15 Travelling per km more than 10 km from town charged using Dep. Of Transport rates	R1942.54 Travelling per km more than 10 km from town charged using Dep. Of Transport rates

Waste Disposal Bakkie per load	R62.96	R68.63	R74.80
Waste Disposal Truck per load	R109.00	R118.81	R129.50
Penalties			
Illegal Dumping - General waste	R327.00	R356.43	R388.50
Illegal Dumping – Rubble	R763.00	R831.67	R906.52
Illegal Dumping – Hazardous waste	R1090.00	R1188.10	R1225.02

Other refuse removal related tariffs

	Actual Tariffs 2016/17	Draft Tariffs 2017/18	2017/18
TARRIFS			
Grass cutting	R11.11 per m ² – travelling per km more than 10 km from town charged using Dep. Of Transport rates	R12.10 per m ² – travelling per km more than 10 km from town charged using Dep. Of Transport rates	R13.19 per m ² – travelling per km more than 10 km from town charged using Dep. Transport rates

1.4.1.4 Other Municipal Tariffs

The municipality has other tariffs that are proposed to increase as follows:

	Actual Tariffs 2016/17	Draft Tariffs 2017/18	2018/19
Hall Hire –town			
Meetings & Churches (hourly rate)	R117.08	R124.10	R131.54
Entertainment & Workshops	R292.73	R310.29	RR328.90
Security Fees	R1018.60	R1079.72	R1144.50
Hall Hire – Villages			
Hall Hire	R260.54	R276.17	R292.74
Security Fees	R521.07	R552.33	R585.46

Sports Field/Stadium			
Special letting	R1696.00	R1797.76	R1905.62
Practices or Matches per 2 hours	R127.20	R134.83	
Security Fees	R1018.60	R1079.72	R1144.50
Community Park & Open Spaces			
Group Entertainment	R447.47	R474.32	R502.77
Security Fees	R1018.60	R1079.72	R1144.50
Cemetery			
Adults	R604.13	R640.38	R678.80
Children	R303.79	R322.02	R341.34
Stillborn	R119.10	R126.25	R133.82
Grave digging	R1166.00	R1235.96	R1310.11
Pound Fees			
Admission of guilt under municipal by-laws for all animals	R337.08	R357.30	R378.73
Storage at the Pound			
Cattle, Horses, Donkeys and any other animal of similar size per day	R59.55 per night	R63.12 per night	R66.90
Goats, sheep and other animals of the same size per day	R35.51 per night	R37.64 per night	R39.89
If captured by SAPS(e.g. recovered stolen animals)	R23.82 per night	R25.25 per night	R26.76
Motor vehicles	R236.38 per night	R250.56 per night	R265.59
Other goods	R42.40 per night	R44.94 per night	R47.63
Library fees			
Photocopy(B&W per page)	R0.59	R0.63	R0.67
Color (per page)	R1.06	R1.12	R1.18
Lost book	Market value of the book	Market value of the book	Market value of the book

Overdue returns	R71.91 per day	R76.22 per day	R80.79
Book Tempered with	R35.73	R37.87	R40.14
Library membership			
Adults – per annum	R59.55	R63.12	R66.90
Children (12 years & older)- per annum	R33.73	R35.75	R37.89

Development Planning Tariffs

VENDING AND HAWKING	CURRENT YEAR PROPOSED TARRIF INCREASE		
	CURRENT TARRIF	APPROVED TARIFF (2016/17)	Draft Tariffs 2017/18
Registration for permit	R135	R138.10	146.52
Hawker with stall renewal	R250	R265	281.17
Hawker without stall renewal	R100	R106	112.47
Registration of permit for bakkies	R300	R330	350.13
Renewal of permit for bakkies	R500	R550	583.55
Hawkers outside of town without stall (once off)	R50	R53	56.23
Registration for hawkers with stalls outside town	R100	R106	112.47
Renewal for hawkers with stalls outside town	R100	R106	112.47

Town Planning Tariffs

ACTIVITY	MLM EXISTING FEE, 2015/16	MLM PROPOSED FEE, 2016/17	MLM PROPOSED 2017/2018 @6.1%
Newspaper(s) and government gazette Advertising	Daily dispatch or Gov Gazette Tariff to be borne by the applicant	Daily dispatch or Gov Gazette Tariff to be borne by the applicant	Daily dispatch or Gov Gazette Tariff to be borne by the applicant
Rezoning Application per m²			
Erven 0 – 2500m ²	1860	1971.60	2091.87
Erven 2501 – 5000m ²	3460	3667.60	3891.32
Erven 5001 0 – 1 Ha	6860	7271.60	7661.17
Erven 1, 0001Ha – 5Ha	8960	9497.60	10076.95
Erven over 5Ha	12260	12995.60	13788.33
Special Consent / Temporary Departure Application m²			
Erven 0 – 2500m ²	1510	1600.60	1698.24
Erven 2501 – 5000m ²	3110	3296.60	3497.69
Erven 5001 0 – 1 Ha	6510	6900.00	7320.95
Erven 1, 0001Ha – 5Ha	8810	9338.60	9908.25
Erven over 5Ha	11610	12306.60	13057.30
Subdivision Application			
Erven 1-2	None	2066.05	2192.08
Erven 1-3	None	2754.83	2922.87

Erven 1-4	None	3443.52	3653.57
Erven 1-5	None	4132.30	4132.30
Erven 1-6	None	4820.00	5114.02
Erven 1-7	None	5509.56	5845.64
Erven 1-8	None	6198.35	6576.45
Erven 1-9	None	6887.03	7307.14
Erven 1-10	None	7575.71	8037.83
Erven more than 10	None	13773.96	14614.17
Departure Application from the scheme (Building Lines, height, coverage etc)			
Erven 0 – 530m ²	None	1297.02	1376.14
Erven 531– more	None	1945.52	2064.20
Application for the Removal of Restrictions	9250	9805	10403.00
Zoning Certificate	120	127.20	134.96
Town Planning Scheme	300	318	337.40
Spatial Development Framework	500	530	562.33
Application for Consolidation of Erven	2000	2120	2249.32
SG Diagram	1000.2	1060	1124.66
Amendment of the Subdivisional Plan	R2579.00	2733.74	2900.50
Extension of Validity	4671. 62	4671. 62	4956.59

Building Control

Signage

BILLBOARD LOCAL	2014/2015	2015/2016 @ 6%	2016/2017 @6%	2017/2018 @6.1%
1. 1m (h) x 1.5m(h) per month	R 316	R 335	R 355	R 376.66
2. 1.5m(h) x 2m(w) per month				
3. 2m(h) x 3m(w) per panel per month	R 369	R 391	R 414	R 439.25
4. 3(m) x 4m(w) per structure per month	R 422	R 447	R 474	R 502.91
	R 474	R 502	R 532	R 564.45
BILLBOARD NATIONAL				
5. 1.5m(h) x 3m(w)	R 1,054	R 1,117	R 1,184	R 1,256.22
6. 3m(h) x 6m(w)				
7. 6m(h) x 4m(w)	R 1,581	R 1,676	R 1,777	R 1,885.40
8. 9m(h) x 6m(w)	R 2,108	R 2,234	R 2,368	R 2,512.45
	R 5,270	R 5,586	R 5,921	R 6,282.18
ANNUAL FEES				
9. Directional Sign (Per sign face)	-	R 500	R 530	R 562.33
10. Illuminated sign (per sign face)	-			
11. Litter Bins	-	R 650	R 689	R 731.03
12. Permanent Street Pole Poster	-			
13. Seating Bench	-	R 350	R 371	R 393.63
14. Encroaching Sign	-	R 550	R 583	R 618.56
	-	R 550	R 583	R 618.56

	-	R 550	R 583	R 618.56
PERMIT FEES				
15. Banner	-	R 350	R 371	R 393.63
16. Mobile Signs	-	R 1200	R 1272	R 1349.59
17. Poster maximum 100	-	R 1000	R 1060	R 1124.66
18. Standard signage	-	R 250	R 250	R 265.25
DEPOSITS				
19. Banner	-	R 500	R 530	R 562.33
20. For Sale	-	R 1000	R 1060	R 1124.66
21. Poster	-	R 1000	R 1060	R 1124.66
22. Election Poster (per party)	-	R 5000	R 5300	R 5623.30

Building Plan Fees

Extension 1 and Extension 2	2014/2015	2015/2016	2016/2017 @ 6%	2017/2018 @6.1%
Fee per 1m ²	-	R 30.00	R 31.80	R 33.74
Swimming Pool	-	R 400.00	R 424.00	R 449.86
Retaining /Boundary wall	-	R 400.00	R 424.00	
Building plan elapses after a year	Full Fee	Full Fee	Full Fee	

Plan Amendment Fees

Amendment	2014/2015	2015/2016	2016/2017 @ 6 %	2017/2018 @6.1%
No increase in floor area	-	R 460.00	R 487.60	R 517.34

Temporary Building/Structure Approved by Council

Description	2014/2015	2015/2016	2016/2017 @ 6%	2017/2018 @6.1%
Storage facility per year	-	R 450.00	R 477.00	R 506.10
Container per year	-	R 450.00	R 477.00	R 506.10
Caravan per year	-	R 450.00	R 477.00	R 506.10

Demolitions

	2014/2015	2015/2016	2016/2017 @ 6 %	2017/2018 @ 6.1%
Per first 100 linear meter	-	R 420.00	R 445.20	R 472.36
Thereof every linear meter exceed 100 meters	-	R 30.00	R 31.80	R 33.74

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977

OFFENCE CODE	NUMBER OF SECTION	DESCRIPTION OF OFFENCE	FINE 2015/2016 @ 6%	FINE 2016/2017 @ 6 %	FINE 2016/2017 @ 6.1 %
	4(4)	Building without approved building plan.	R1000	R 1060	R 1124.66
	10(2)	Building in contravention of a notice prohibiting any building work.	R1000	R 1060	R 1124.66

	12(6)	Failure to demolish, alter or safeguard.	R500	R 530	R 562.33
	14(3)	Submit false certificate or issuing thereof.	NAG		
	14(4) (a)	Occupy or use of building without occupation certificate.	R1000	R 1060	R 1124.66
	15(2)	Preventing a building control officer in the execution of his/her duties.	R1500	R 1590	R 1686.99
	19(2)	Prohibition on the use of certain building methods and materials.	R500	R 530	R 562.33
	A2 (3) (f)	Submit false or misleading information	NAG		
	A15 (5)	Failure to maintain, safeguard or service installation.	R500	R 530	R 562.33
	A17 (4)	Illegal or withdrawn certificate of identity.	NAG		
	A18 (5)	Failure to supervise and/or control plumbing work.	R500	R 530	R 562.33
	A22 (4)	Failure to give notice of intention to commence erection or demolition of a building.	R1000	R 1060	R 1124.66
	A25 (2)	Use of a building for a purpose other than the purpose shown on approved plans.	R1000	R 1060	R 1124.66

	A25 (5)	Deviation from approved building plan.	R1000	R 1060	R 1124.66
	A25 (11)	Failure to comply with any provision of or any notice issued in terms of Regulation A25 General Enforcement.	R1000	R 1060	R 1124.66
	D4 (2)	Failure to safeguard a swimming pool.	R1000	R 1060	R 1124.66
	E1 (1)	Failure to apply for written permission for demolition.	R1000	R 1060	R 1124.66
	E1 (3)	Failure to safeguard demolition work.	R1500	R 1590	R 1686.99
	F1 (6)	Failure to comply with any provision of or any notice issued in terms of Regulation F1 Protection of the public.	R1500	R 1590	
	F6 (3)	Failure to control dust and noise.	R500	R 530	R 562.33
	F7 (5)	Failure to comply with any provision of or any notice issued in terms of Regulation F6 regarding the Cutting into, laying open and demolishing certain work.	R500	R 530	R 562.33
	F8 (2)	Failure to comply with a notice to remove waste material on site.	R500	R 530	R 562.33
	F9 (2)	Failure to comply with any provision of or any notice issued in terms	R500	R 530	R 562.33

		of Regulation F9 Cleaning of site.			
	F10 (7)	Failure to comply with any provision of or any notice issued in terms of Regulation F10 Builder's sheds.	R1000	R 1060	R 1124.66
	F11 (2)	Failure to comply with any provision of or any notice issued terms if Regulation F11 Sanitary facilities.	R500	R 530	R 562.33
	P1 (5)	Failure to comply with any provision of or any notice issued in terms of Regulation P1 Compulsory drainage building.	R500	R 530	R 562.33
	P3 (5)	Failure to comply with any provision of or any notice issued in terms off Regulation P3 Control of objectionable discharge.	R500	R 530	R 562.33
	P4 (2)	Failure to comply with any provision of or any notice in terms of Regulation P4 Industrial effluent.	R1000	R 1060	R 1124.66
	P5 (4)	Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections.	R500	R 530	R 562.33
	P6 (2)	Failure to comply with any provision of or any notice issued in terms of Regulation P6	R1000	R 1060	R 1124.66

		Unauthorized drainage work.			
	P7 (4)	Failure to comply with any provision of or any notice issued in terms of Regulations P7 Inspection and testing of drainage installations.	R1000	R 1060	R 1124.66
	T2 (1)	Failure to make and maintain adequate provision in terms of the requirements of Regulation T1 (1) (e) or failure to comply with relevant SABS specifications.	R1000	R 1060	R 1124.66
	T2 (2)	Obstructing or causing to be obstructed of an escape route.	R1000	R 1060	R 1124.66

GIS Tariffs

Size of Paper	Full Ink	2017/18	Line Map	2017/18
A2	R50.00	R53.05	R25.00	R26.53
A1	R75.00	R79.58	R40.00	R42.44
A0	R100.00	R106.10	R50.00	R53.05

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

Table 9 Summary of operating expenditure by functional classification item

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Expenditure - Functional										
Governance and administration		-	-	-	-	-	-	193,369	203,037	213,189
Executive and council		-	-	-	-	-	-	53,661	56,344	59,161
Finance and administration		-	-	-	-	-	-	135,870	142,664	149,797
Internal audit		-	-	-	-	-	-	3,837	4,029	4,231
Community and public safety		-	-	-	-	-	-	13,594	14,276	14,992
Community and social services		-	-	-	-	-	-	10,981	11,533	12,112
Sport and recreation		-	-	-	-	-	-	584	613	644
Public safety		-	-	-	-	-	-	948	996	1,045
Housing		-	-	-	-	-	-	1,080	1,134	1,191
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	55,901	56,421	59,284
Planning and development		-	-	-	-	-	-	23,472	23,681	23,284
Road transport		-	-	-	-	-	-	30,205	30,404	33,548
Environmental protection		-	-	-	-	-	-	2,224	2,335	2,452
Trading services		-	-	-	-	-	-	61,140	63,827	68,963
Energy sources		-	-	-	-	-	-	44,654	48,306	52,666
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	16,486	15,521	16,297
Other	4	-	-	-	-	-	-	2,187	2,297	2,412
Total Expenditure - Functional	3	-	-	-	-	-	-	326,191	339,858	358,839

The table above gives an overview of the operational expenditure per functional classification or by functional areas within the municipality.

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Expenditure By Type											
Employee related costs	2	47,932	59,634	71,790	87,843	84,786	-	-	106,799	110,350	115,868
Remuneration of councillors		15,910	17,895	18,956	23,186	20,234			21,502	22,577	23,706
Debt impairment	3	3,071	3,480	4,569	1,900	1,900			1,995	2,095	2,199
Depreciation & asset impairment	2	32,807	38,360	37,992	39,400	39,400	-	-	46,011	48,311	50,727
Finance charges		465	456	547	1,500	1,500			1,575	1,653	1,736
Bulk purchases	7	20,812	22,310	24,528	27,712	28,984	-	-	31,303	33,807	36,512
Other materials	8								1,082	1,136	1,193
Contracted services		-	-	-	-	-	-	-	63,064	64,655	68,863
Transfers and subsidies		788	-	-	3,881	4,881	-	-	11,209	11,770	12,358
Other expenditure	4, 5	61,773	69,757	178,705	90,179	97,020	-	-	41,651	43,502	45,678
Loss on disposal of PPE											
Total Expenditure		183,957	211,892	337,088	275,601	278,704	-	-	326,191	339,858	358,839

The budgeted allocation for employee related costs for the 2017/18 financial year totals R106 Million. Based on the guidelines on circular 85 and 86, salaries are supposed to be factored into this budget at average CPI between (January 2016 and February 2017) plus 1 percent which was calculated to 7.4 percent for the 2017/18 financial year. An annual increase of 5.4 per cent has been included in the two outer years of the MTREF. As part of the planning, all departments have been requested to submit their personnel requirements for the years budgeted for. This includes existing positions that are currently filled, vacant positions that will be filled and as such should be budgeted for.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

- **Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2017/18 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 10 Operational repairs and maintenance

Repairs and Maintenance	8										
Employee related costs									200	210	221
Other materials									15,000	15,750	16,537
Contracted Services									50	53	55
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	-	-	-	-	-	-	-	15,250	16,012	16,813

An amount of R9.5million has been set aside in the 2017/18 financial period for the maintenance of roads. This will ensure that there is improved access to all the wards in the municipality. There is also an increased need to repair other infrastructure assets like the municipal offices, community halls and the municipal vehicles.

- **Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. The municipality has set aside R8,8 million for the free basic energy and services for the 2017/18 financial period.

Table 11 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

EC443 Moziana - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	126,152	85,835	96,914	58,718	65,333	-	-	49,662	62,025	75,413
Other current investments > 90 days		-	(0)	-	0	(6,516)	-	-	-	-	-
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		126,152	85,835	96,914	58,718	58,718	-	-	49,662	62,025	75,413
Application of cash and investments											
Unspent conditional transfers		1,032	5,064	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	9,771	25,421	12,975	(599)	(580)	-	-	(3,946)	2,324	(2,140)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		12,803	30,485	12,975	(599)	(580)	-	-	(3,946)	2,324	(2,140)
Surplus(shortfall)		113,350	55,350	83,939	59,317	59,298	-	-	53,609	59,701	63,272

The table above shows the budgeted cash reserves and these are based on the current cash reserves in the municipality. As indicated by the table, there is a need to ensure that these reserves are preserved and built up again. This is after these reserves have been made available for infrastructure development within the municipality.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Service		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	21 959	21 959	13 506
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	23,551	21,959	13,506
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	100	105	110
Vote 2 - Budget & Treasury		-	-	4 415	500	-	-	-	90	84	88
Vote 3 - Corporate Service		2 091	9 862	-	4 132	3 882	-	-	4 960	5 208	5 468
Vote 4 - Development Planning		-	-	-	792	602	-	-	1 000	1 050	1 103
Vote 5 - Community Services		3 061	3 010	-	1 608	1 054	-	-	3 573	3 198	2 308
Vote 6 - Engineering Services		63 184	145 779	95 103	45 351	111 671	-	-	72 002	42 028	60 738
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		68,337	158,651	99,518	52,383	117 250	-	-	79,715	50,674	69,815
Total Capital Expenditure - Vote		68,337	158,651	99,518	52,383	117 250	-	-	103,266	72,632	83,321

Table 12 2017/18 Medium-term capital budget by vote, functional classification and funding

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Service		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	23,551	21,959	13,506
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	23,551	21,959	13,506
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	100	105	110
Vote 2 - Budget & Treasury		-	-	4,415	500	-	-	-	80	84	88
Vote 3 - Corporate Service		2,091	9,862	-	4,132	3,882	-	-	4,960	5,208	5,468
Vote 4 - Development Planning		-	-	-	792	602	-	-	1,000	1,050	1,103
Vote 5 - Community Services		3,061	3,010	-	1,608	1,094	-	-	3,573	2,198	2,308
Vote 6 - Engineering Services		63,184	145,779	68,133	45,351	111,671	-	-	70,002	42,028	60,738
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		68,337	158,651	99,518	52,383	117,250	-	-	79,715	50,674	69,815
Total Capital Expenditure - Vote		68,337	158,651	99,518	52,383	117,250	-	-	103,266	72,632	83,321
Capital Expenditure - Functional											
Governance and administration		2,091	9,862	4,415	4,632	3,882	-	-	5,876	5,960	6,258
Executive and council		-	-	-	-	-	-	-	100	105	110
Finance and administration		2,091	9,862	4,415	4,632	3,882	-	-	5,576	5,855	6,148
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		2,834	-	-	1,008	744	-	-	2,005	551	579
Community and social services		2,834	-	-	767	615	-	-	525	551	579
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	242	130	-	-	1,480	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		48,157	111,554	70,196	44,643	46,940	-	-	56,910	43,287	45,689
Planning and development		-	-	-	792	602	-	-	33,901	20,515	12,583
Road transport		48,157	111,554	70,196	43,851	46,338	-	-	22,909	22,667	32,996
Environmental protection		-	-	-	-	-	-	-	100	105	110
Trading services		15,255	37,236	24,907	2,100	65,683	-	-	38,675	22,834	30,796
Energy sources		15,027	34,225	24,907	1,500	65,333	-	-	37,943	22,065	29,988
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		227	3,010	-	600	350	-	-	732	769	807
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	68,337	158,651	99,518	52,383	117,250	-	-	103,266	72,632	83,321
Funded by:											
National Government		58,717	67,644	54,540	43,851	43,851	-	-	71,890	64,006	74,264
Provincial Government		-	-	-	-	29,700	-	-	21,681	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	58,717	67,644	54,540	43,851	73,551	-	-	93,571	64,006	74,264
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	8,983	17,067	-	34,133	-	-	-	-	-
Internally generated funds		9,619	82,024	27,911	8,532	9,565	-	-	9,695	8,626	9,057
Total Capital Funding	7	68,337	158,651	99,518	52,383	117,250	-	-	103,266	72,632	83,321

For the 2017/18 Annual budget, there is an increase in the capital budget of the municipality. This accounts for about R103 million of the budget and this is mainly funded from the MIG for roads, community facilities and Sport facilities, INEP for electrification and a further grant from the Eastern Cape Province to assist in fast tracking electrification of villages without electricity. A portion of the INEP grant will be utilized to settle the DBSA Loan as per the front loading agreement.

1.7 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

EC443 Mbizana - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	9,975	15,554	16,511	21,057	21,057	-	-	22,342	23,660	25,032
Service charges	18,381	18,631	21,842	26,742	29,874	-	-	31,696	33,566	35,513
Investment revenue	5,718	7,619	6,028	5,805	5,805	-	-	6,159	6,522	6,900
Transfers recognised - operational	131,992	151,593	189,891	181,993	183,100	-	-	204,939	232,592	243,613
Other own revenue	5,598	5,730	8,233	7,235	7,235	-	-	7,677	8,130	8,601
Total Revenue (excluding capital transfers and contributions)	171,664	199,128	242,504	242,833	247,071	-	-	272,812	304,470	319,660
Employee costs	47,932	59,634	71,790	87,843	84,786	-	-	106,799	110,350	115,868
Remuneration of councillors	15,910	17,895	18,956	23,186	20,234	-	-	21,502	22,577	23,706
Depreciation & asset impairment	32,807	38,360	37,992	39,400	39,400	-	-	46,011	48,311	50,727
Finance charges	465	456	547	1,500	1,530	-	-	1,575	1,653	1,736
Materials and bulk purchases	20,812	22,310	24,528	27,712	28,984	-	-	32,385	34,943	37,705
Transfers and grants	788	-	-	3,881	4,881	-	-	11,209	11,770	12,358
Other expenditure	64,844	73,237	183,274	92,079	98,920	-	-	106,710	110,253	116,740
Total Expenditure	183,557	211,892	337,088	275,601	278,704	-	-	326,191	339,858	358,839
Surplus/(Deficit)	(11,893)	(12,764)	(94,583)	(32,768)	(31,633)	-	-	(53,379)	(35,388)	(39,179)
Transfers and subsidies - capital (monetary alloc	63,981	67,644	69,511	68,851	98,551	-	-	113,800	74,320	86,066
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	52,088	54,880	(25,073)	36,083	66,918	-	-	60,421	38,932	46,887
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	52,088	54,880	(25,073)	36,083	66,918	-	-	60,421	38,932	46,887
Capital expenditure & funds sources										
Capital expenditure	68,337	158,651	99,518	52,383	117,250	-	-	103,266	72,632	83,321
Transfers recognised - capital	58,717	67,644	54,540	43,851	73,551	-	-	93,571	64,006	74,264
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	8,983	17,067	-	34,131	-	-	-	-	-
Internally generated funds	9,619	82,024	27,911	8,532	9,565	-	-	9,695	8,626	9,057
Total sources of capital funds	68,337	158,651	99,518	52,383	117,250	-	-	103,266	72,632	83,321
Financial position										
Total current assets	143,229	121,131	142,054	71,217	71,217	-	-	77,581	84,366	93,471
Total non current assets	504,803	607,451	581,826	555,352	620,218	-	-	675,691	699,721	732,416
Total current liabilities	35,018	64,194	68,540	32,084	28,083	-	-	20,832	22,784	29,283
Total non current liabilities	5,592	4,301	20,325	6,151	6,151	-	-	6,766	7,442	8,187
Community wealth/Equity	607,423	660,088	635,015	588,334	657,201	-	-	725,674	753,861	788,417
Cash flows										
Net cash from (used) operating	76,970	108,357	79,197	80,783	110,669	-	-	102,994	84,995	96,709
Net cash from (used) investing	(68,337)	(157,657)	(99,535)	(52,383)	(117,250)	-	-	(103,266)	(72,632)	(83,321)
Net cash from (used) financing	-	8,983	31,417	(25,000)	(25,001)	-	-	(15,399)	-	-
Cash/cash equivalents at the year end	126,152	85,835	96,914	58,718	65,333	-	-	49,662	62,025	75,413
Cash backing/surplus reconciliation										
Cash and investments available	126,152	85,835	96,914	58,718	58,718	-	-	49,662	62,025	75,413
Application of cash and investments	12,803	30,485	12,975	(599)	(580)	-	-	(3,946)	2,324	12,140
Balance - surplus (shortfall)	113,350	55,350	83,939	59,317	59,298	-	-	53,609	59,701	63,272
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	7,370	2,630	-
Repairs and Maintenance	-	-	-	-	-	-	15,250	15,250	16,012	16,813
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	429	429	453	478
Households below minimum service level										
Water	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy	3	-	6	6	6	6	6	6	6	6
Refuse:	48	-	48	48	48	48	48	48	48	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts for possible approval by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Efforts have been made in compiling the budget to ensure that the budget is cash backed. This is reflected by the positive cash flows that the municipality has. This requires the municipality to maintain its prudence to ensure that positive cash flows are maintained over the long term whilst ensuring that there is spending on projects that make a difference to people's livelihoods.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	231,376	263,038	275,832
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	231,376	263,038	275,832
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	424	449	474
Community and social services		-	-	-	-	-	-	424	449	474
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	65,230	56,207	59,346
Planning and development		-	-	-	-	-	-	102	108	114
Road transport		-	-	-	-	-	-	65,128	56,099	59,232
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	89,458	58,966	69,936
Energy sources		-	-	-	-	-	-	85,593	56,677	67,515
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	3,865	2,289	2,421
<i>Other</i>	4	-	-	-	-	-	-	123	130	138
Total Revenue - Functional	2	-	-	-	-	-	-	386,612	378,790	405,726
Expenditure - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	193,369	203,037	213,189
Executive and council		-	-	-	-	-	-	53,661	56,344	59,161
Finance and administration		-	-	-	-	-	-	135,870	142,664	149,797
Internal audit		-	-	-	-	-	-	3,837	4,029	4,231
<i>Community and public safety</i>		-	-	-	-	-	-	13,594	14,276	14,992
Community and social services		-	-	-	-	-	-	10,981	11,533	12,112
Sport and recreation		-	-	-	-	-	-	584	613	644
Public safety		-	-	-	-	-	-	948	996	1,045
Housing		-	-	-	-	-	-	1,080	1,134	1,191
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	55,901	56,421	59,284
Planning and development		-	-	-	-	-	-	23,472	23,681	23,284
Road transport		-	-	-	-	-	-	30,205	30,404	33,548
Environmental protection		-	-	-	-	-	-	2,224	2,335	2,452
<i>Trading services</i>		-	-	-	-	-	-	61,140	63,827	68,963
Energy sources		-	-	-	-	-	-	44,654	48,306	52,666
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	16,486	15,521	16,297
<i>Other</i>	4	-	-	-	-	-	-	2,187	2,297	2,412
Total Expenditure - Functional	3	-	-	-	-	-	-	326,191	339,858	358,839
Surplus/(Deficit) for the year		-	-	-	-	-	-	60,421	38,932	46,887

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

The above table shows the allocations made by the municipality to the different classes or functions within the municipality and the contributions that will be made per standard class. It is pleasing to note that the table shows that the municipality's bigger share is allocated to service deliver functions as well as governance and administration. These are complementary in nature hence the allocations.

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC443 Mbizana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Executive & Council		281	-	-	-	532	-	-	-	-
Vote 2 - Budget & Treasury		147,640	172,896	209,138	207,349	207,757	-	231,157	262,805	275,586
Vote 3 - Corporate Service		29*	195	237	207	207	-	220	233	246
Vote 4 - Development Planning		699	279	149	680	680	-	218	231	244
Vote 5 - Community Services		5,015	4,911	9,253	6,762	6,929	-	7,799	6,454	6,828
Vote 6 - Engineering Services		81,720	88,504	93,237	96,685	129,517	-	147,219	109,068	122,822
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	235,645	266,784	312,015	311,684	345,622	-	386,612	378,790	405,726
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		43,510	51,011	55,781	65,131	62,159	-	68,196	71,606	75,186
Vote 2 - Budget & Treasury		51,708	65,394	81,451	63,438	63,584	-	71,499	75,074	78,828
Vote 3 - Corporate Service		18,599	23,343	29,423	38,223	40,530	-	47,135	49,492	51,966
Vote 4 - Development Planning		5,828	7,674	12,743	14,745	15,094	-	16,110	16,916	17,761
Vote 5 - Community Services		22,900	26,362	36,973	41,967	45,005	-	55,525	56,514	59,342
Vote 6 - Engineering Services		41,012	38,119	120,717	52,097	52,333	-	67,726	70,256	75,755
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	183,557	211,904	337,088	275,601	278,704	-	326,191	339,858	358,839
Surplus/(Deficit) for the year	2	52,088	54,880	(25,073)	36,083	66,918	-	60,421	38,932	46,887

Listed in the table above are the revenue and expenditure classifications for all the departments within the municipality.

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	9,975	15,554	16,511	21 057	21 057	-	-	22,342	23,660	25 032
Service charges - electricity revenue	2	17,270	17,598	20,805	24,731	27 862	-	-	29,562	31,306	33,122
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1,035	1,033	1,008	2,001	2,001	-	-	2,123	2,249	2,379
Service charges - other		76		29	10	10			11	12	12
Rental of facilities and equipment		809	609	608	721	721			765	811	858
Interest earned - external investments		5,718	7,619	6,028	5,805	5,805			6,159	6,522	6,900
Interest earned - outstanding debtors		495	968	2,415	1 673	1,673			1,775	1,880	1,989
Dividends received		-									
Fines, penalties and forfeits		630	1,271	1,659	775	775			823	871	922
Licences and permits		1,203	1,823	2,442	2,236	2,236			2,372	2,512	2,658
Agency services		553			814	814			863	914	967
Transfers and subsidies		131,992	151,593	189,891	181 993	183,100			204,939	232,592	243,613
Other revenue	2	1,908	1,059	1 109	1 016	1 016	-	-	1,078	1,142	1,208
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		171,664	199,128	242,504	242,833	247,071	-	-	272,812	304,470	319,660
Expenditure By Type											
Employee related costs	2	47,932	59,634	71 790	87 843	84,786	-	-	106,799	110,350	115,868
Remuneration of councillors		15,910	17,895	18,956	23,186	20,234			21,502	22,577	23,706
Debt impairment	3	3,071	3,480	4,569	1 900	1 900			1,995	2,095	2,199
Depreciation & asset impairment	2	32,807	38,360	37 992	39,400	39,400	-	-	46,011	48,311	50,727
Finance charges		465	456	547	1 500	1 500			1,575	1,653	1,736
Bulk purchases	2	20,812	22,310	24,528	27 712	28,984	-	-	31,303	33,807	36,512
Other materials	8								1,082	1,136	1,193
Contracted services		-	-	-	-	-	-	-	63,064	64,655	68,863
Transfers and subsidies		788	-	-	3,881	4,881	-	-	11,209	11,770	12,358
Other expenditure	4, 5	61 773	69,757	178,705	90,179	97 020	-	-	41 651	43,502	45,678
Loss on disposal of PPE											
Total Expenditure		183,557	211,892	337,088	275,601	278,704	-	-	326,191	339,858	358,839
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(11,893)	(12,764)	(94,583)	(32,768)	(31,633)	-	-	(53,379)	(35,388)	(39,179)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions Private Enterprises, Public Corporations, Higher Transfers and subsidies - capital (in-kind - all)	6	63,981	67 644	69,511	68,851	98,551			113,800	74,320	86,066
Surplus/(Deficit) after capital transfers & contributions		52,088	54,880	(25,073)	36,083	66,918	-	-	60,421	38,932	46,887
Taxation											
Surplus/(Deficit) after taxation		52,088	54,880	(25,073)	36,083	66,918	-	-	60,421	38,932	46,887
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		52,088	54,880	(25,073)	36,083	66,918	-	-	60,421	38,932	46,887
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		52,088	54,880	(25,073)	36,083	66,918	-	-	60,421	38,932	46,887

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Service		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	23,551	21,959	13,506
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	23,551	21,959	13,506
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	100	105	110
Vote 2 - Budget & Treasury		-	-	4,415	500	-	-	-	80	84	88
Vote 3 - Corporate Service		2,091	9,862	-	4,132	3,882	-	-	4,960	5,208	5,468
Vote 4 - Development Planning		-	-	-	792	602	-	-	1,000	1,050	1,103
Vote 5 - Community Services		3,061	3,010	-	1,608	1,034	-	-	3,573	2,198	2,308
Vote 6 - Engineering Services		53,184	145,779	50,103	45,351	111,671	-	-	70,002	42,028	60,738
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	68,337	158,651	99,518	52,383	117,250	-	-	79,715	50,674	69,815
Total Capital Expenditure - Vote		68,337	158,651	99,518	52,383	117,250	-	-	103,266	72,632	83,321
Capital Expenditure - Functional											
Governance and administration		2,091	9,862	4,415	4,632	3,882	-	-	5,676	5,980	6,258
Executive and council		-	-	-	-	-	-	-	100	105	110
Finance and administration		2,091	9,862	4,415	4,632	3,882	-	-	5,576	5,855	6,148
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		2,834	-	-	1,008	744	-	-	2,005	351	579
Community and social services		2,834	-	-	767	615	-	-	525	551	579
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	242	130	-	-	1,480	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		48,157	111,554	70,196	44,843	46,940	-	-	56,910	43,287	45,689
Planning and development		-	-	-	792	602	-	-	33,901	20,515	12,583
Road transport		48,157	111,554	70,196	43,851	46,338	-	-	22,909	22,667	32,996
Environmental protection		-	-	-	-	-	-	-	100	105	110
Trading services		15,255	37,236	24,907	2,100	65,883	-	-	38,675	22,834	30,796
Energy sources		15,027	34,225	24,907	1,500	65,333	-	-	37,943	22,065	29,988
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		227	3,010	-	600	350	-	-	732	769	807
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	68,337	158,651	99,518	52,383	117,250	-	-	103,266	72,632	83,321
Funded by:											
National Government		58,717	67,644	54,540	43,851	43,851	-	-	71,890	64,006	74,264
Provincial Government		-	-	-	-	29,700	-	-	21,681	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	58,717	67,644	54,540	43,851	73,551	-	-	93,571	64,006	74,264
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	8,983	17,067	-	34,133	-	-	-	-	-
Internally generated funds	7	9,619	82,024	27,911	8,532	9,565	-	-	9,695	8,626	9,057
Total Capital Funding	7	68,337	158,651	99,518	52,383	117,250	-	-	103,266	72,632	83,321

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

The table above shows capital expenditure by vote and functional classification as well as funding for the expenditure forecasted.

This shows how the municipality's capital budget funding is highly dependent on grant funding. There is also a portion on the funding of electricity infrastructure that will be going to the repayment of the front loading arrangement that was made for the year under implementation. This reduces the amount available for capital budget funding.

Table 18 MBRR Table A6 - Budgeted Financial Position

EC443 Mbizana - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash		2,988	2,269	4,708	2,988	2,988			2,241	2,465	4,191
Call investment deposits	1	123,164	83,566	92,206	55,729	55,729	-	-	47,421	59,560	71,222
Consumer debtors	1	13,209	3,606	24,586	8,826	8,826	-	-	15,214	10,907	7,712
Other debtors		1,191	29,230	18,569	1,592	1,592			11,141	10,027	9,025
Current portion of long-term receivables		1,720	1,593	1,406	1,617	1,617			1,237	1,114	1,058
Inventory	2	957	867	579	465	465			326	293	264
Total current assets		143,229	121,131	142,054	71,217	71,217	-	-	77,581	84,368	93,471
Non current assets											
Long-term receivables											
Investments											
Investment property		6,356	6,356	6,626	8,297	8,297			6,957	7,374	8,112
Investment in Associate											
Property, plant and equipment	3	498,442	598,499	573,120	544,842	609,708	-	-	666,964	691,285	723,880
Agricultural											
Biological											
Intangible	5		2,596	2,081	2,213	2,213			1,771	1,062	425
Other non-current assets											
Total non current assets		504,803	607,451	581,826	555,352	620,218	-	-	675,691	699,721	732,416
TOTAL ASSETS		648,032	728,582	723,880	626,568	691,435	-	-	753,272	784,087	825,887
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	8,983	23,850	19,400	15,399	-	-	-	-	-
Consumer deposits		420	434	441	439	439			263	158	142
Trade and other payables	4	34,395	52,727	43,125	10,175	10,175	-	-	19,332	21,265	27,644
Provisions		203	2,050	1,125	2,070	2,070			1,237	1,361	1,497
Total current liabilities		35,018	64,194	68,540	32,084	28,083	-	-	20,832	22,784	29,283
Non current liabilities											
Borrowing		-	-	16,550	-	-	-	-	-	-	-
Provisions		5,592	4,301	3,775	6,151	6,151	-	-	6,766	7,442	8,187
Total non current liabilities		5,592	4,301	20,325	6,151	6,151	-	-	6,766	7,442	8,187
TOTAL LIABILITIES		40,610	68,494	88,865	38,234	34,234	-	-	27,598	30,226	37,470
NET ASSETS	5	607,423	660,088	635,015	588,334	657,201	-	-	725,674	753,861	788,417
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		607,423	660,088	635,015	532,604	601,471			678,253	694,301	717,195
Reserves	4	-	-	-	55,729	55,729	-	-	47,421	59,560	71,222
TOTAL COMMUNITY WEALTH/EQUITY	5	607,423	660,088	635,015	588,334	657,201	-	-	725,674	753,861	788,417

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	126,152	85,835	96,914	58,718	65,333	-	-	49,662	62,025	75,413
Other current investments > 90 days		-	(10)	-	0	(6,616)	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		126,152	85,835	96,914	58,718	58,718	-	-	49,662	62,025	75,413
Application of cash and investments											
Unspent conditional transfers		3,032	5,064	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	9,771	25,421	12,975	(599)	(580)	-	-	(3,946)	2,324	12,140
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		12,803	30,485	12,975	(599)	(580)	-	-	(3,946)	2,324	12,140
Surplus(shortfall)		113,350	55,350	83,939	59,317	59,298	-	-	53,609	59,701	63,272

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The above table shows how the municipality's funding will be applied and the targets set for cash backed reserves over the medium. This is informed by anticipated year end targets as well as the plans to be implemented over the medium-term, especially on the revenue management, debt collection as well as expenditure management.

Table 19 MBRR Table A7 – Budgeted Cash Flows

EC443 Mbizana - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		7,247	5,499	5,157	24,616	24,616			17,873	20,111	22,529
Service charges		22,310	16,776	21,842	25,742	29,874			31,272	33,229	35,275
Other revenue		4,536	4,762	5,548	5,563	5,563			5,363	5,793	6,250
Government - operating	1	145,197	153,625	185,410	204,685	179,685			204,939	232,592	243,613
Government - capital	1	60,297	67,644	71,883	46,159	100,859			113,800	74,320	66,066
Interest		6,213	8,588	8,443	7,478	7,478			7,934	8,402	8,889
Dividends									-	-	-
Payments											
Suppliers and employees		(168,365)	(148,082)	(215,082)	(229,078)	(231,024)			(265,402)	(276,029)	(291,819)
Finance charges		(465)	(456)	(547)	(1,500)	(1,500)			(1,575)	(1,653)	(1,736)
Transfers and Grants	1		-	(3,455)	(3,881)	(4,881)			(11,209)	(11,770)	(12,358)
NET CASH FROM/(USED) OPERATING ACTIVITIES		76,970	108,357	79,197	80,783	110,669	-	-	102,994	84,995	96,709
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			978	110					-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(68,337)	(158,635)	(99,645)	(52,383)	(117,250)			(103,266)	(72,632)	(83,321)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(68,337)	(157,657)	(99,535)	(52,383)	(117,250)	-	-	(103,266)	(72,632)	(83,321)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			8,983	23,950					-	-	-
Borrowing long term/refinancing				24,526					-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing				(16,959)	(25,000)	(25,001)			(15,399)	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	8,983	31,417	(25,000)	(25,001)	-	-	(15,399)	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		8,634	(40,317)	11,079	3,400	(31,581)	-	-	(15,671)	12,363	13,388
Cash/cash equivalents at the year begin	2	117,519	126,152	85,835	55,317	96,914			65,333	49,662	62,025
Cash/cash equivalents at the year end	2	126,152	85,835	96,914	58,718	65,333	-	-	49,662	62,025	75,413

Part 2 – Supporting Documentation

2.1 Overview of budget related-policies

The budget preparation process cannot be separated from the review of related policies that enable the implementation of the budget. The following is a brief look at the budget related policies and where applicable, changes that have been proposed during the budget review:-

2.1.1 Review of credit control and debt collection policy

- It is vital to the long term financial viability of the Mbizana Local Municipality that it collects the revenues (such as service charges, rates and taxes) due to it for services rendered. In terms of s96 of the Systems Act, a municipality:
- must collect all money that is due and payable to it subject to this Act and any other applicable legislation; and
- For this purpose, must adopt, maintain and implement a credit control and debt collection policy, which is consistent with rates and tariff policies and complies with the provisions of this Act. This means that appropriate credit control and debtors mechanisms must be maintained. The services provided by the Mbizana Local Municipality include electricity, refuse removal and other municipal services.

2.1.2 Supply Chain Management Policy

The SCM policy aims to ensure that Mbizana Local Municipality procures goods and services in a manner that is efficient, timely and cost-effective, ensures customer satisfaction, pursues socio-economic objectives through a preference system and demonstrates compliance with the constitution and all relevant legislation.

A few changes have been proposed to the SCM Policy and these have been necessitated mainly by changes introduced by the National Treasury as well as the South African Revenue Services.

Central Supplier Database: The National Treasury has introduced a requirement that all service provider purporting to do business with government institutions must be registered in a central database maintained by the National Treasury. Important information that relates to the registration of all companies and compliance with various requirements of various institutions is monitored through this database. Our policy should therefore make reference to this.

SARS Pin: The SARS has in the past made use of the tax clearance certificate, valid for a year, to confirm the good standing of companies that do business with the municipality. All companies have now been issued with a SARS pin which enables organs of state to directly enquire on the status of the companies at any given time. This has made the submission of the tax certificate not compulsory, but that of the SARS Pin. This development must again be reflected in the SCM policy of the municipality.

Preferential Procurement Regulations, 2017: The National Treasury, has, through a gazette issued amendments to the Preferential Procurement Regulations which become effective from July 01, 2017. These regulations have indicated that the 80/20 preference points system will now apply for all procurement from R30 000 to R50 million and 90/10 preference points system from R50 million upwards. This is a major change in the points system that has been applied before and should be reflected as such in the SCM policy of the municipality.

2.1.3 Budget Policy

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget, and
- To establish and maintain procedures to ensure adherence to Mbizana's IDP review and budget processes.

This policy also needs to see a number of changes which are necessitated by the introduction of mSCOA. The various segments introduced with mSCOA have meant that the levels of authority cannot be left unchanged as some transfers and virements require a higher level of authorization, up to a level where council must take a decision.

2.1.4 Cash Management and Investment Policy

An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Effective cash management and competitive investment ensures both short-term and long-term viability and sustainability of the municipality. Hence, it is critical for the Mbizana Local Municipality to have its own Cash Management and Investment Policy located within the local government legislative framework.

The primary and ultimate goal of the investment of funds is to secure the safety, integrity and wholeness of the invested capital, managing liquidity requirements and ensuring the earning of the highest possible return on invested capital at minimum risk (i.e. whilst not risking the partial or total loss of invested capital), within the parameters of authorised instruments as per the MFMA.

2.1.5 Tariff Policies

In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended.

In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

2.1.6 Property rates policy

This policy guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

2.1.7 Asset management policy

The objective of this Asset Management Policy is to ensure that the municipality:

- has consistent application of asset management principles;
- implements accrual accounting;
- complies with the MFMA and other related legislation;
- correctly accounts for Assets under the GRAP accounting framework;
- safeguards and controls the assets of the municipality; and
- Optimizes asset usage.

During the review it was identified that the Asset Management committee did not include the councilors responsible for asset management and this was the proposed change to the policy.

2.2 Overview of budget assumptions

The budget compilation has been driven by a few assumptions based on the information available to the municipality. As indicated in the earlier paragraphs, the MFMA Treasury Budget Circulars have been used as a basis for the assumptions made. The inflationary outlook as per the circulars is as follows:

Fiscal year	2016/17 Estimate	2017/18	2018/19 Forecast	2019/20 Forecast
Consumer Price Inflation – CPI	6.4%	6,4%	5,7%	5,6%

The National Energy Regulator of South Africa has kept the approved increase at just 0,31% for Eskom and it doesn't seem likely that any different would be approved for the municipalities. This assumption was therefore applied in the adjustment of tariffs.

The employee related costs had been negotiated and 2017/18 sees the last year of the implementation of that agreement. The budgetary provision of the 2017/18 financial year should then be provided for as follows:-

- 2017/18 Fin Year – average CPI + 1%

2.3 Councilor and employee benefits

Table 20 MBRR SA22 - Summary of councilor and staff benefits

EC443 Mbizana - Supporting Table SA22 Summary councilor and staff benefits

Summary of Employee and Councilor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		11,157	11,967	12,101	14,046	13,410		12,237	12,848	13,491
Pension and UIF Contributions						-				
Medical Aid Contributions						-				
Motor Vehicle Allowance		3,448	3,839	4,273	6,424	4,565		4 888	5 132	5,389
Cellphone Allowance		899	1,323	1,329	1,426	1,346		1 445	1 517	1,593
Housing Allowances						-				
Other benefits and allowances		834	767	1,253	1,289	913		2,933	3,079	3,233
Sub Total - Councillors		16,338	17,895	18,956	23,186	20,234	-	21,502	22,577	23,706
% Increase	4		9.5%	5.9%	22.3%	(12.7%)	(100.0%)	-	5.0%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3,392	4,248	4,371	4,262	4,262		4 577	4 916	5 280
Pension and UIF Contributions						-				
Medical Aid Contributions						-				
Overtime						-				
Performance Bonus						-				
Motor Vehicle Allowance	3	528		1,259		-				
Cellphone Allowance	3				190	190		204	219	235
Housing Allowances	3					-				
Other benefits and allowances	3		2,184	892	2,184	2,184		2,345	2,519	2,705
Payments in lieu of leave						-				
Long service awards						-				
Post-retirement benefit obligations	6					-				
Sub Total - Senior Managers of Municipality		3,921	6,432	6,522	6,635	6,635	-	7,126	7,654	8,220
% Increase	4		64.0%	1.4%	1.7%	-	(100.0%)	-	7.4%	7.4%
Other Municipal Staff										
Basic Salaries and Wages		34,452	33,640	46,585	52,108	53,625		66,774	68,214	71 507
Pension and UIF Contributions		2,712	3,402	4,462	6,032	4,972		6,295	6,609	6,940
Medical Aid Contributions		1,366	2,572	3,252	3,858	3,305		4 751	4,989	5,238
Overtime		455	388	411	761	1,115		1 171	1 229	1,291
Performance Bonus				-		-				
Motor Vehicle Allowance	3	2,208	4,407	4,872	7,534	5,640		8,301	8,716	9,151
Cellphone Allowance	3	410	530	620	630	244		432	449	466
Housing Allowances	3	1,564	2,132	2,435	3,131	2,774		3,645	3,827	4,018
Other benefits and allowances	3	4,203	6,131	2,631	7,154	6,476		8,305	8,664	9,037
Payments in lieu of leave						-				
Long service awards						-				
Post-retirement benefit obligations	6					-				
Sub Total - Other Municipal Staff		47,369	53,202	65,268	81,208	78,151	-	99,673	102,697	107,648
% Increase	4		12.3%	22.7%	24.4%	(3.8%)	(100.0%)	-	3.0%	4.8%
Total Parent Municipality		67,628	77,529	90,746	111,029	105,019	-	128,302	132,928	139,574

EC443 Mbizana - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	406,401	67 734	226,509			700,644
Chief Whip		1	381,002	63 500	213,810			658,312
Executive Mayor		1	508,001	84 667	277,309			869,978
Deputy Executive Mayor		-						-
Executive Committee		10	3 615,369	602 360	2,040,169			6,257,898
Total for all other councillors		48	7,325 856	2,114 418	3,575,157			13,015,432
Total Councillors	8	61	12,236,630	2,932,679	6,332,954			21,502,263
Senior Managers of the Municipality	5							
Municipal Manager (MM)			886 942		663,689			1,550,632
Chief Finance Officer			720 321		564,390			1,284,711
Senior Manager - Engineering			720 321		564,390			1,284,711
Senior Manager - Corporate Services			720 321		564,390			1,284,711
Senior Manager - Community Services			720 321		564,390			1,284,711
Senior Manager - Development Planning			720 321		564,390			1,284,711
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	4,488,548	-	3,485,640	-		7,974,187

2.4 Expenditure on grants and reconciliations of unspent funds

Table 21 MBRR SA19 – Expenditure on transfers and grant programmes

EC443 Mbizana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE:										
Operating expenditure of Transfers and Grants:										
National Government:		151,081	173,161	209,159	203,804	204,212	-	235,530	254,626	274,482
Local Government Equitable Share		126,027	145,251	181,314	175,910	175,910		197,681	227,226	238,082
Finance Management		2,456	1,606	268	1,810	2,218		2,145	2,400	2,400
Municipal Systems Improvement		1,348	890	579	-	-		-	-	-
EPWP Incentive		1,250	1,021	1,000	1,084	1,084		1,704	-	-
Integrated National Electrification Programme		20,000	24,393	24,998	25,000	25,000		34,000	25,000	34,000
Other transfers/grants (insert description)										
Provincial Government:		-	564	3,319	381	548	-	350	370	391
Sport and Recreation				240	263	263		350	370	391
Other transfers/grants (insert description)				3,079		167				
			564		118	118				
District Municipality:		-	-	-	400	400	-	-	-	-
Integrated Development Planning					100	100				
					300	300				
Other grant providers:		-	-	-	100	100	-	-	-	-
GIS Shared Services					100	100				
Total operating expenditure of Transfers and Grants		151,081	173,725	212,478	204,685	205,260	-	235,880	254,996	274,873
Capital expenditure of Transfers and Grants										
National Government:		43,976	45,424	46,783	46,159	46,159	-	61,178	51,916	54,806
Municipal Infrastructure Grant (MIG)		43,976	45,424	46,783	46,159	46,159		61,178	51,916	54,806
Other capital transfers/grants (insert desc)										
Provincial Government:		-	-	-	-	-	-	21,681	-	-
Electrification Assistance								21,681		
District Municipality:		-	-	-	-	-	-	-	-	-
Integrated Development Planning										
Other grant providers:		-	-	-	-	-	-	-	-	-
GIS Shared Services										
Total capital expenditure of Transfers and Grants		43,976	45,424	46,783	46,159	46,159	-	82,859	51,916	54,806
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		195,057	219,149	259,261	250,844	251,419	-	318,739	306,912	329,679

Table 22 MBRR SA20 – Reconciliation of transfers, grant receipts and unspent funds

EC443 Mbizana - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		1,614	735	45	803	803				
Current year receipts		127,003	148,785	184,919	178,804	178,804		235,530	254,626	274,482
Conditions met - transferred to revenue		127,882	149,474	184,161	179,607	179,607	-	235,530	254,626	274,482
Conditions still to be met - transferred to liabilities		735	45	803						
Provincial Government:										
Balance unspent at beginning of the year		63	1,632	4,860	1,791	1,791				
Current year receipts		1,569	3,540	250	381	381		350	370	391
Conditions met - transferred to revenue		-	312	3,319	2,172	2,172	-	350	370	391
Conditions still to be met - transferred to liabilities		1,632	4,860	1,791						
District Municipality:										
Balance unspent at beginning of the year		500	7	157	357	357				
Current year receipts		481	150	200	500	500				
Conditions met - transferred to revenue		974	-	-	857	857	-	-	-	-
Conditions still to be met - transferred to liabilities		7	157	357						
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		128,856	149,787	187,480	182,636	182,636	-	235,880	254,996	274,873
Total operating transfers and grants - CTBM	2	2,374	5,062	2,951	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		4,104	420	2	4	4				
Current year receipts		60,297	69,392	71,783	71,159	71,159		61,178	51,916	54,806
Conditions met - transferred to revenue		63,981	69,811	71,781	71,163	71,163	-	61,178	51,916	54,806
Conditions still to be met - transferred to liabilities		420	2	4						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts						29,700		21,681		
Conditions met - transferred to revenue		-	-	-	-	29,700	-	21,681	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		63,981	69,811	71,781	71,163	100,863	-	82,859	51,916	54,806
Total capital transfers and grants - CTBM	2	420	2	4	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		192,837	219,597	259,261	253,799	283,499	-	318,739	306,912	329,679
TOTAL TRANSFERS AND GRANTS - CTBM		2,794	5,064	2,955	-	-	-	-	-	-

Table 23 MBRR SA24 – Summary of personnel numbers

EC443 Mbizana - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		2015/16			Current Year 2016/17			Budget Year 2017/18		
Number		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		61	4	57	61	4	57	61	4	57
Board Members of municipal entities										
Municipal employees										
Municipal Manager and Senior Managers		6		6	6		6	7		6
Other Managers		16	3	13	16	3	13	16	3	13
Professionals		-	-	-	-	-	-	-	-	-
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		53	50	2	53	50	2	53	50	2
Finance		11	10	-	11	10	-	11	10	-
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse		42	40	2	42	40	2	42	40	2
Other										
Clerks (Clerical and administrative)		97	67	31	97	67	31	97	67	31
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		4		4	4		4	4		4
Elementary Occupations		83	83		83	83		83	83	
TOTAL PERSONNEL NUMBERS		320	207	113	320	207	113	321	207	113
% Increase					-	-	-	0.3%	-	-
Total municipal employees headcount										
Finance personnel headcount										
Human Resources personnel headcount										

2.5 Monthly targets for revenue, expenditure and cash flow

EC443 Mbizana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source															
Property rates	9,473	2,681	340	357	894	338	336	375	876	1,035	1,072	102	17,873	20,111	22,529
Service charges - electricity revenue	3,547	4,434	2,252	2,661	2,631	2,513	2,661	1,478	1,449	1,330	1,596	2,010	29,562	31,306	33,122
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue	102	93	100	97	90	92	97	158	102	107	122	529	1,535	1,911	2,141
Service charges - other				0		1	1	1	1	2	2	4	11	12	12
Rental of facilities and equipment	8	3	69	54	72	71	99	103	74	107	60	46	765	811	858
Interest earned - external investments	370	881	862	493	370	382	1,047	677	564	185	326	12	6,159	11,522	6,900
Interest earned - outstanding debtors	248	7	213	231	218	89	133	35	160	195	170	75	1,775	1,880	1,989
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	12	16	66	132	99	107	115	41	58	82	49	45	823	871	922
Licences and permits	142	214	285	190	180	261	197	166	154	185	221	178	2,372	2,512	2,658
Agency services	60	104	129	89	78	74	75	64	51	52	55	52	863	914	967
Transfer receipts - operational	90,173	-	-	-	-	67,630	-	-	47,136	-	-	-	204,939	232,592	243,613
Other revenue	54	33	40	13	81	50	119	43	12	44	43	-	539	685	848
Cash Receipts by Source	104,190	8,476	5,357	4,293	4,712	71,607	4,874	3,151	50,626	3,324	3,717	3,052	287,380	300,127	318,357
Other Cash Flows by Source															
Transfer receipts - capital	28,450	-	-	-	-	34,140	-	-	51,212	-	-	-	113,800	74,320	86,066
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	132,640	8,476	5,357	4,293	4,712	105,747	4,874	3,151	101,838	3,324	3,717	3,052	381,180	374,447	404,423
Cash Payments by Type															
Employee related costs	7,476	7,476	7,476	8,544	7,476	9,612	9,078	9,612	10,580	9,932	9,505	9,932	106,799	110,350	115,868
Remuneration of councillors	1,505	1,613	1,720	1,699	1,680	1,763	2,150	1,935	1,879	1,871	1,892	1,838	21,502	22,577	23,706
Finance charges	-	929	-	378	-	-	252	-	-	-	16	-	1,575	1,653	1,736
Bulk purchases - Electricity	2,817	1,252	3,130	2,191	2,316	2,223	2,035	2,097	2,911	3,756	3,443	3,130	31,303	33,807	36,512
Bulk purchases - Water & Sewer															
Other materials	346	-	-	487	-	-	249	-	-	-	-	-	1,082	1,136	1,193
Contracted services	5,045	6,306	7,568	9,460	7,252	4,730	1,892	4,919	1,261	8,829	1,892	3,910	63,064	64,655	68,863
Transfers and grants - other municipalities															
Transfers and grants - other	1,009	930	112	1,345	336	1,457	841	773	1,581	1,177	224	1,323	11,209	11,770	12,358
Other expenditure	9,996	2,063	7,914	1,874	2,499	11,968	1,250	4,998	1,416	2,041	833	1,749	41,651	43,502	45,678
Cash Payments by Type	28,195	20,589	27,920	25,978	21,568	24,783	17,748	24,335	19,778	27,806	17,808	21,883	278,188	289,452	305,913
Other Cash Flows/Payments by Type															
Capital assets	10,327	12,392	7,229	9,294	13,425	17,555	8,571	6,712	7,125	3,924	3,305	3,408	103,266	72,632	83,321
Repayment of borrowing		5,000		5,000			5,399						15,399		
Other Cash Flows/Payments															
Total Cash Payments by Type	38,521	37,981	35,149	40,272	34,993	42,338	31,716	31,047	26,903	31,730	21,110	25,291	396,851	362,084	389,235
NET INCREASE/(DECREASE) IN CASH HELD	94,119	(29,505)	(29,792)	(35,979)	(30,281)	63,409	(26,842)	(27,896)	74,933	(28,206)	(17,393)	(22,239)	(15,671)	12,363	13,388
Cash/cash equivalents at the monthly year begin	65,333	159,452	129,947	100,156	64,177	33,897	97,305	70,463	42,567	117,500	89,294	71,901	65,333	49,662	62,025
Cash/cash equivalents at the monthly year end	159,452	129,947	100,156	64,177	33,897	97,305	70,463	42,567	117,500	89,294	71,901	49,662	49,662	62,025	75,413

Table 24 MBRR SA25 – Budgeted monthly revenue and expenditure

EC443 Mbizana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																	
Revenue By Source																	
Property rates			1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	22,342	23,660	25,032	
Service charges - electricity revenue			2,463	2,463	2,463	2,463	2,463	2,463	2,463	2,463	2,463	2,463	2,463	29,562	31,306	33,122	
Service charges - water revenue			-	0	0	0	0	0	0	0	0	0	0	-	-	-	
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue			177	177	177	177	177	177	177	177	177	177	177	2,123	2,249	2,379	
Service charges - other			1	1	1	1	1	1	1	1	1	1	1	11	12	12	
Rental of facilities and equipment			64	64	64	64	64	64	64	64	64	64	64	765	811	856	
Interest earned - external investments			513	513	513	513	513	513	513	513	513	513	513	6,159	6,522	6,900	
Interest earned - outstanding debtors			148	148	148	148	148	148	148	148	148	148	148	1,775	1,880	1,969	
Dividends received			-	0	0	0	0	0	0	0	0	0	0	-	-	-	
Fines, penalties and forfeits			69	69	69	69	69	69	69	69	69	69	69	823	871	922	
Licences and permits			198	198	198	198	198	198	198	198	198	198	198	2,372	2,512	2,658	
Agency services			72	72	72	72	72	72	72	72	72	72	72	863	914	967	
Transfers and subsidies			79,677	605	605	605	605	69,793	605	605	50,025	605	605	204,939	232,592	243,613	
Other revenue			90	90	90	90	90	90	90	90	90	90	90	1,078	1,142	1,208	
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)			85,333	6,261	6,261	6,261	6,261	75,449	6,261	6,261	55,681	6,261	6,261	272,812	304,470	319,680	
Expenditure By Type																	
Employee related costs			8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	106,799	110,350	115,868	
Remuneration of councillors			1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,792	21,502	22,577	23,706	
Debt impairment			166	166	166	166	166	166	166	166	166	166	166	1,995	2,095	2,199	
Depreciation & asset impairment			3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	46,011	48,311	50,727	
Finance charges			131	131	131	131	131	131	131	131	131	131	131	1,575	1,653	1,736	
Bulk purchases			2,609	2,609	2,609	2,609	2,609	2,609	2,609	2,609	2,609	2,609	2,609	31,303	33,807	36,512	
Other materials			90	90	90	90	90	90	90	90	90	90	90	1,082	1,136	1,193	
Contracted services			5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	5,255	63,064	64,655	68,863	
Transfers and subsidies			934	934	934	934	934	934	934	934	934	934	934	11,209	11,770	12,358	
Other expenditure			3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471	41,651	43,502	45,678	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure			27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	326,191	339,858	358,639	
Surplus/(Deficit)			58,151	(20,922)	(20,922)	(20,922)	(20,922)	48,267	(20,922)	(20,922)	28,499	(20,922)	(20,922)	(55,379)	(35,388)	(39,179)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			9,483	9,483	9,483	9,483	9,483	9,483	9,483	9,483	9,483	9,483	9,483	113,800	74,320	86,066	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions			67,634	(11,438)	(11,438)	(11,438)	(11,438)	57,750	(11,438)	(11,438)	37,982	(11,438)	(11,438)	60,421	38,932	46,887	
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)		1	67,634	(11,438)	(11,438)	(11,438)	(11,438)	57,750	(11,438)	(11,438)	37,982	(11,438)	(11,438)	60,421	38,932	46,887	

Table 25 MBRR SA26 – Budgeted monthly revenue and expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Raf	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue by Vote																
Vote 1 - Executive & Council														-	-	-
Vote 2 - Budget & Treasury		84,148	2,840	2,840	2,840	2,840	72,028	2,840	2,840	52,260	2,840	605	2,235	231,157	262,805	275,586
Vote 3 - Corporate Service		18	18	18	18	18	18	18	18	18	18	18	18	220	233	246
Vote 4 - Development Planning		18	18	18	18	18	18	18	18	18	18	18	18	218	231	244
Vote 5 - Community Services		650	650	650	650	650	650	650	650	650	650	650	650	7,799	6,454	6,828
Vote 6 - Engineering Services		12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	147,219	109,068	122,822
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Revenue by Vote		97,102	15,795	15,795	15,795	15,795	84,983	15,795	15,795	65,215	15,795	13,559	15,190	388,612	378,790	405,728
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council		5,683	5,683	5,683	5,683	5,683	5,683	5,683	5,683	5,683	5,683	5,683	5,683	68,196	71,606	75,186
Vote 2 - Budget & Treasury		5,958	5,958	5,958	5,958	5,958	5,958	5,958	5,958	5,958	5,958	5,958	5,958	71,499	75,074	78,828
Vote 3 - Corporate Service		3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	47,135	49,492	51,966
Vote 4 - Development Planning		1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	16,110	16,916	17,761
Vote 5 - Community Services		4,627	4,627	4,627	4,627	4,627	4,627	4,627	4,627	4,627	4,627	4,627	4,627	55,525	56,514	59,342
Vote 6 - Engineering Services		5,644	5,644	5,644	5,644	5,644	5,644	5,644	5,644	5,644	5,644	5,644	5,644	67,726	70,256	75,755
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Expenditure by Vote		27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	326,191	339,850	358,839
Surplus/(Deficit) before assoc.		69,920	(11,388)	(11,388)	(11,388)	(11,388)	57,800	(11,388)	(11,388)	38,032	(11,388)	(13,623)	(11,993)	60,421	38,932	46,887
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	69,920	(11,388)	(11,388)	(11,388)	(11,388)	57,800	(11,388)	(11,388)	38,032	(11,388)	(13,623)	(11,993)	60,421	38,932	46,887

Table 26 MBRR SA27 – Budgeted monthly revenue and expenditure (standard classification)

EC443 Mbizana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue - Functional																
Governance and administration		84,148	2,840	2,840	2,840	2,840	72,028	2,840	2,840	52,260	2,840	605	2,455	231,376	263,038	275,832
Executive and council														-	-	-
Finance and administration		84,148	2,840	2,840	2,840	2,840	72,028	2,840	2,840	52,260	2,840	605	2,455	231,376	263,038	275,832
Internal audit														-	-	-
Community and public safety		35	35	35	35	35	35	35	35	35	35	35	35	424	449	474
Community and social services		35	35	35	35	35	35	35	35	35	35	35	35	424	449	474
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	65,230	56,207	59,346
Planning and development		9	9	9	9	9	9	9	9	9	9	9	9	102	108	114
Road transport		5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	65,128	56,099	59,232
Environmental protection														-	-	-
Trading services		7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	89,458	58,966	69,936
Energy sources		7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	85,593	56,677	67,515
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		322	322	322	322	322	322	322	322	322	322	322	322	3,865	2,289	2,421
Other		10	10	10	10	10	10	10	10	10	10	10	10	123	136	138
Total Revenue - Functional		97,084	15,776	15,776	15,776	15,776	84,965	15,776	15,776	65,197	15,776	13,541	15,391	386,612	378,790	405,726
Expenditure - Functional																
Governance and administration		16,114	16,114	16,114	16,114	16,114	16,114	16,114	16,114	16,114	16,114	16,114	16,114	193,369	203,037	213,189
Executive and council		4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	53,661	56,344	59,161
Finance and administration		11,323	11,323	11,323	11,323	11,323	11,323	11,323	11,323	11,323	11,323	11,323	11,323	135,870	142,664	149,797
Internal audit		320	320	320	320	320	320	320	320	320	320	320	320	3,837	4,029	4,231
Community and public safety		1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	13,594	14,276	14,992
Community and social services		915	915	915	915	915	915	915	915	915	915	915	915	10,981	11,533	12,112
Sport and recreation		49	49	49	49	49	49	49	49	49	49	49	49	584	613	644
Public safety		79	79	79	79	79	79	79	79	79	79	79	79	948	996	1,045
Housing		90	90	90	90	90	90	90	90	90	90	90	90	1,080	1,134	1,191
Health														-	-	-
Economic and environmental services		4,658	4,658	4,658	4,658	4,658	4,658	4,658	4,658	4,658	4,658	4,658	4,658	55,901	56,421	59,284
Planning and development		1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	23,472	23,681	23,284
Road transport		2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	30,205	30,404	33,548
Environmental protection		185	185	185	185	185	185	185	185	185	185	185	185	2,224	2,335	2,452
Trading services		5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	61,140	63,827	68,963
Energy sources		3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	44,654	48,306	52,666
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	16,486	15,521	16,297
Other		182	182	182	182	182	182	182	182	182	182	182	182	2,187	2,297	2,412
Total Expenditure - Functional		27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	27,183	326,191	339,858	358,839
Surplus/(Deficit) before assoc.		69,901	(11,406)	(11,406)	(11,406)	(11,406)	57,782	(11,406)	(11,406)	38,014	(11,406)	(13,641)	(11,791)	60,421	38,932	46,887
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	69,901	(11,406)	(11,406)	(11,406)	(11,406)	57,782	(11,406)	(11,406)	38,014	(11,406)	(13,641)	(11,791)	60,421	38,932	46,887

Table 27 MBRR SA28 – Budgeted monthly capital expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Mult-year expenditure to be appropriated	1															
Vote 1 - Executive & Council														-	-	-
Vote 2 - Budget & Treasury														-	-	-
Vote 3 - Corporate Service														-	-	-
Vote 4 - Development Planning														-	-	-
Vote 5 - Community Services														-	-	-
Vote 6 - Engineering Services		1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	23,551	21,959	13,506
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	23,551	21,959	13,506
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council					100									100	105	110
Vote 2 - Budget & Treasury		80												80	84	88
Vote 3 - Corporate Service						4,960								4,960	5,208	5,468
Vote 4 - Development Planning					1,000									1,000	1,050	1,103
Vote 5 - Community Services		298	298	298	298	298	298	298	298	298	298	298	298	3,573	2,198	2,308
Vote 6 - Engineering Services		5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,002	42,028	60,738
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital single-year expenditure sub-total	2	8,211	6,131	6,131	7,231	11,091	6,131	6,131	6,131	6,131	6,131	6,131	6,131	79,715	50,674	69,815
Total Capital Expenditure	2	8,174	8,094	8,094	9,194	13,054	8,094	8,094	8,094	8,094	8,094	8,094	8,094	103,266	72,632	83,321

Table 28 MBRR SA29 – Budgeted monthly capital expenditure (functional classification)

EC443 Mbizana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
<i>Government and administration</i>		80	-	-	100	5,496	-	-	-	-	-	-	-	5,676	5,960	6,258
Executive and council					100									100	105	110
Finance and administration		80				5,496								5,575	5,855	6,148
Internal audit														-	-	-
<i>Community and public safety</i>		-	1,480	525	-	-	-	-	-	-	-	-	-	2,005	351	579
Community and social services				525										525	551	579
Sport and recreation														-	-	-
Public safety			1,480											1,480	-	-
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		4,834	4,734	4,734	4,734	4,734	4,734	4,734	4,734	4,734	4,734	4,734	4,734	56,910	43,287	45,689
Planning and development		2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	33,901	20,515	12,583
Road transport		1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,909	22,909	22,667	32,996
Environmental protection		100												100	105	110
<i>Trading services</i>		3,162	3,162	3,162	3,162	3,162	3,162	3,894	3,162	3,162	3,162	3,162	3,162	38,675	22,834	30,796
Energy sources		3,162	3,162	3,162	3,162	3,162	3,162	3,162	3,162	3,162	3,162	3,162	3,162	37,943	22,065	29,988
Water management														-	-	-
Waste water management														-	-	-
Waste management								732						732	769	807
Other														-	-	-
Total Capital Expenditure - Functional	2	8,076	9,376	8,421	7,996	13,392	7,896	8,628	7,896	7,896	7,896	7,896	7,896	103,266	72,632	83,321
Funded by:																
National Government		5,991	5,991	5,991	5,991	5,991	5,991	5,991	5,991	5,991	5,991	5,991	5,991	71,890	64,006	74,264
Provincial Government		1,277	2,577	1,622	1,197	6,593	1,097	1,830	1,097	1,097	1,097	1,097	1,097	21,681	-	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		7,268	8,568	7,613	7,188	12,584	7,088	7,821	7,088	7,088	7,088	7,088	7,088	93,571	64,006	74,264
Public contributions & donations														-	-	-
Borrowing														-	-	-
Internally generated funds		808	808	808	808	808	808	808	808	808	808	808	808	9,695	8,626	9,057
Total Capital Funding		8,076	9,376	8,421	7,996	13,392	7,896	8,628	7,896	7,896	7,896	7,896	7,896	103,266	72,632	83,321

Table 29 MBRR SA30 – Budgeted monthly cash flow

EC443 Mbizana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source															
Property rates	9 473	7 581	340	357	894	338	331	375	878	1 035	1 072	102	17 873	20 111	22 529
Service charges - electricity revenue	3 567	4 434	3 252	2 661	2 637	2 513	2 961	1 478	1 449	1 330	1 596	2 010	29 562	31 306	33 122
Service charges - water revenue													-		
Service charges - sanitation revenue													-		
Service charges - refuse revenue	102	100	100	97	90	92	97	188	102	107	122	529	1 699	1 911	2 141
Service charges - other															
Rental of facilities and equipment	8	3	69	54	72	71	99	103	74	107	80	48	785	811	858
Interest earned - external investments	370	864	882	493	370	362	1 047	677	554	185	328	12	8 159	6 522	8 900
Interest earned - outstanding debtors	248	7	213	231	218	89	133	35	160	195	170	75	1 775	1 880	1 969
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	12	16	88	132	99	107	115	41	58	82	49	45	823	871	922
Licences and permits	142	214	285	190	180	281	167	168	154	185	221	178	2 372	2 512	2 658
Agency services	60	104	129	69	78	74	75	64	51	52	55	80	863	914	967
Transfer receipts - operational	90 173	-	-	-	-	67 630	-	-	47 136	-	-	-	204 938	232 592	243 813
Other revenue	54	43	40	11	81	50	119	43	12	44	43	-	530	685	848
Cash Receipts by Source	104 198	8 478	5 357	4 293	4 712	71 607	4 874	3 151	50 826	3 324	3 717	3 052	267 380	300 127	316 557
Other Cash Flows by Source	28 450	-	-	-	-	34 140	-	-	51 210	-	-	-	113 800	74 320	86 068
Transfer receipts - capital															
Transfers and subsidies - capital (monetary allocations) (National / Provincial / Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE													-	-	-
Short term loans													-	-	-
Borrowing long term/refinancing													-	-	-
Increase (decrease) in consumer deposits													-	-	-
Decrease (increase) in non-current debtors													-	-	-
Decrease (increase) other non-current receivables													-	-	-
Decrease (increase) in non-current investments													-	-	-
Total Cash Receipts by Source	132 648	8 478	5 357	4 293	4 712	105 747	4 874	3 151	101 856	3 324	3 717	3 052	381 180	374 447	402 625
Cash Payments by Type															
Employee related costs	7 476	7 476	7 476	8 544	7 476	9 612	9 078	9 612	10 680	9 932	9 505	9 932	108 799	110 350	115 868
Remuneration of councillors	1 505	1 513	1 720	1 699	1 688	1 763	2 150	1 935	1 628	1 871	1 892	1 838	21 502	22 577	23 708
Finance charges	-	929	-	378	-	-	252	-	-	-	16	-	1 575	1 653	1 736
Bulk purchases - Electricity	2 817	1 252	3 130	2 191	2 318	2 223	2 035	2 087	2 911	3 756	3 443	3 130	31 303	33 807	36 512
Bulk purchases - Water & Sewer													-	-	-
Other materials	348	-	-	487	-	-	248	-	-	-	-	-	1 082	1 138	1 193
Contracted services	5 045	8 308	7 568	9 460	7 252	4 730	1 892	4 919	1 281	8 829	1 892	3 910	63 064	64 655	66 863
Transfers and grants - other municipalities													-	-	-
Transfers and grants - other	1 009	930	112	1 345	338	1 457	841	773	1 681	1 177	224	1 323	11 209	11 770	12 358
Other expenditure	9 969	2 083	7 914	1 874	2 499	4 998	1 250	4 998	1 416	2 041	633	1 749	41 651	43 502	45 678
Cash Payments by Type	28 195	20 589	27 920	25 978	21 568	24 783	17 748	24 335	19 779	27 808	17 806	21 883	278 188	289 452	305 913
Other Cash Flows/Payments by Type															
Capital assets	10 327	12 392	7 229	9 294	13 425	17 555	8 571	6 712	7 125	3 924	3 305	3 408	103 288	72 632	83 321
Repayment of borrowing		5 000		5 000			5 399						15 399		
Other Cash Flow s/Payments													-	-	-
Total Cash Payments by Type	38 521	37 981	35 149	40 272	34 993	42 338	31 718	31 047	26 903	31 530	21 110	25 291	396 651	362 084	389 235
NET INCREASE/(DECREASE) IN CASH HELD	94 119	(29 503)	(29 792)	(35 978)	(30 281)	63 409	(26 842)	(27 896)	74 933	(28 206)	(17 393)	(22 239)	(15 471)	12 363	13 388
Cash/cash equivalents at the monthly year begin	65 333	158 452	129 947	100 156	64 177	33 897	97 305	70 463	42 567	117 500	89 294	71 901	85 333	49 682	62 025
Cash/cash equivalents at the monthly year end	159 452	129 947	100 156	64 177	33 897	97 305	70 463	42 567	117 500	89 294	71 901	49 662	49 662	62 025	75 413

2.6 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial management comments and budget confirmation from the Budget and Treasury office.

Table 30 MBRR SA34a – Capital expenditure on new assets by asset class

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Annex - Supporting Table 8A34a Repairs and maintenance expenditure by asset class

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Table 32 MBRR SA34b – Capital expenditure on renewal of existing assets by asset class

Department		Ref	Current Year 2016/17					2017/18 Medium Term Revenue & Expenditure Forecasts			
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
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2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
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2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
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2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
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2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
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2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2017/18	2018/19	2019/20	2020/21	
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/2					

2.8 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is improving.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the interns trained over the years 5 were absorbed within the municipality's budget and treasury office while 2 have found employment in other municipality's and are now at managerial level. Since the introduction of the Internship programme the Municipality has successfully employed and trained 14 interns through this programme.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional. This is despite resignations that have happened in recent times, but the council has been able to appoint other members within reasonable periods of time.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2017/18 MTREF in May 2017 directly aligned and informed by the 2017/18 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.9 Municipal manager's quality certificate

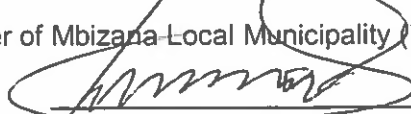
I, L. MAHLAKA, municipal manager of Mbizana Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name

L. MAHLAKA

Municipal manager of Mbizana Local Municipality (EC443)

Signature



Date

29-03-2017